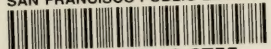


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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
17TH DAY OF JANUARY 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of January 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh

DOCUMENTS DEPT.

And the following were absent:

AUG 23 2006

Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of December 20, 2005

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSTAINED, MS. BREED AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF DECEMBER 20, 2005, BE ADOPTED.

REGULAR AGENDA

- 4 (b) Resolution No. 1-2006, Commending and expressing appreciation to Harriet Starkes for her 35 years of dedicated public service on the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Commission Secretary Erwin R. Tanjuaquio stated that item 4 (b) was recommended to be continued to the next scheduled meeting of the Commission on February 7, 2006, as Ms. Harriet Starkes could not attend the Commission meeting.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 1-2006, COMMENDING AND EXPRESSING APPRECIATION TO HARRIET STARKES FOR HER 35 YEARS OF DEDICATED PUBLIC SERVICE ON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE CONTINUED TO THE FEBRUARY 7, 2006 COMMISSION MEETING.

- 4 (c) Resolution No. 2-2006, Commending and expressing appreciation to Bettye A. Webb for her 36 years of dedicated public service upon the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Executive Director Marcia Rosen stated on behalf of Agency staff, that she wanted to express that the number of retirees in one meeting coupled with the unfortunate passing of an Agency staff following his disability retirement, represented a substantial history of the Redevelopment Agency, including institutional history, a lot of collegiality and dedication to the community. Ms. Rosen stated that the losses of Agency staff both to retirement and the passing of three Agency staff members in the last two months, did leave a big hole in the heart of the redevelopment community. Ms. Rosen stated that the Agency would celebrate the retirements with gratitude, and that each of them would be missed very much.

Presenters: Ayisha Benham (Agency staff)

Speakers: Rev. Arnold Townsend, Latrelle Huddleston

Executive Director Rosen shared that she worked most closely with Ms. Bettye Webb on the relocation of the Plaza Hotel tenants as the Agency prepared for the development of the new Plaza Apartments project. Ms. Rosen stated that she saw in Ms. Webb the personal attention and dedication to the needs of the individual tenants and her willingness to go the extra mile beyond the technical job description to meet people's needs, and expressed her great admiration for that kind of careful attention. Ms. Rosen stated that when she was notified of Ms. Webb's decision to retire, she got together with her and found out that during her retirement, Ms. Webb would be pursuing formal training with the Red Cross to provide volunteer assistance to work with people whose lives had been interrupted by fire or disaster, in the same way that she did in her professional career. Ms. Rosen stated that Ms. Webb would be missed by everyone and wished her the best in her retirement.

Commissioner King stated that it was certainly a sad day in the Redevelopment Agency to have four people retiring, all of whom were hard-working employees, and that it would be hard to replace them. Mr. King stated that Ms. Webb was a hard-working, dedicated and loving person who worked closely with the community. Mr. King stated he recalled that many years ago when there was a proposed lay-off of staff, many of whom were women, Ms. Webb led the charge before the Board of Supervisors to reverse the decision. Mr. King stated that he would miss Ms. Webb very much and urged her to not go too far, because the Agency may have to call on her for assistance. Mr. King put forth a motion to adopt item 4 (c).

Commissioner Romero stated he wanted to offer his personal congratulations and best wishes to Ms. Webb. Mr. Romero stated he also wanted to recognize Ms. Webb for her activism with the Local 790 labor union as well as the San Francisco Redevelopment Employee Association, which she was president previously. Mr. Romero stated that Ms. Webb's involvement with the labor union in addition to her regular duties spoke volumes about the kind of leadership skills she had, because it takes a lot of hard work, dedication and commitment to deal with labor issues. Mr. Romero commended Ms. Webb and wished her the best in her retirement, and seconded Commissioner King's motion to adopt item 4 (c).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 2-2006, COMMENDING AND EXPRESSING APPRECIATION TO BETTYE A. WEBB FOR HER 36 YEARS OF DEDICATED PUBLIC SERVICE UPON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (d) Resolution No. 3-2006, Commending and expressing appreciation to Mary Lou Asuncion for her 36 years of dedicated public service on the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Ayisha Benham (Agency staff)

Commissioner Romero congratulated Ms. Asuncion for her many years of dedicated public service to the Redevelopment Agency, and put forth a motion to adopt item 4 (d).

Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 3-2006, COMMENDING AND EXPRESSING APPRECIATION TO MARY LOU ASUNCION FOR HER 36 YEARS OF DEDICATED PUBLIC SERVICE ON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (e) Resolution No. 4-2006, Commending and expressing appreciation to Sylvester McGuire for his 37 years of dedicated public service upon the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco

Executive Director Rosen stated that she did not have the chance to work directly with every employee, and although she did not know every staff member very personally, she could speak personally about the commendation resolution for Mr. McGuire. Ms. Rosen stated that she wanted the Commission to know from her personal position as Executive Director, that Agency management guided and appreciated the professional work of every employee, but as Commissioner Romero stated earlier, sometimes employees went beyond their job descriptions. Ms. Rosen stated that she got to know Mr. McGuire most closely not just with his work in contract compliance, but due to his dedication in enhancing the Agency's quality of life through the Agency's celebration of Black History Month and through his photography and video hobbies, which he shared so generously to document so many Agency celebrations and special events in the community. Ms. Rosen stated that Mr. McGuire's dedication added collegiality and value to the Agency's celebration of Black History Month with his work on the luncheon and visual exhibits, which he collected and mounted himself. Ms. Rosen stated that Mr. McGuire's hard work was a measure of the kind of individual he is.

Presenters: Ayisha Benham (Agency staff)

Speakers: Al Norman, Dorris Vincent, Chris Hanif, Judy Sorro, Angelo King, Chris Iglesias

Commissioner King put forth a motion to adopt item 4 (e). Mr. King stated he recalled the struggle with the grocery store in the Bayview and Mr. McGuire's hard work on that project brought it to fruition. Mr. King stated that he hated to see Mr. McGuire retire because of concerns with the Agency's Equal Employment Opportunity Program, which Mr. King had hoped that Mr. McGuire would continue to lead. Mr. King stated he had heard that the City's CityBuild Program was going to take over the Agency's Equal Employment Opportunity Program, and it was important to have people like Mr. McGuire to continue the diligence in maintaining the Agency's program, which was better than any other City department. Mr. King stated he had hoped to work with Mr. McGuire on the Agency's Working Group to tap his vast experience. Mr. King stated that the Agency must make sure that whoever is hired to replace Mr. McGuire, that the person would have similar experience, dedication and commitment to the Agency's Equal Employment Opportunity Program. Mr. King congratulated Mr. McGuire on his retirement and urged him to not go too far, because the Agency may have to call on him for assistance.

Commissioner Singh stated that he had only known Mr. McGuire for three or four years, then Mr. Chris Iglesias left the Agency, and now Mr. McGuire was retiring. Mr. Singh stated that it was too bad that he would not have the opportunity to get to know Mr. McGuire better, and that he would miss him a lot. Mr. Singh congratulated Mr. McGuire on his retirement and seconded Commissioner King's motion to adopt item 4 (e).

Commissioner Romero congratulated Mr. McGuire on his long career with the Agency and stated that 37 years of service showed extreme dedication and commitment. Mr. Romero stated he wanted to recognize Mr. McGuire for his participation as a member of the San Francisco Redevelopment Employee Association's executive board and thanked him for his extra efforts. Mr. Romero stated he had seen many contract compliance operations both locally and statewide, and as far as he was concerned, Mr. McGuire and Mr. Iglesias were the best. Mr. Romero stated that Mr. McGuire's work would leave a legacy that would continue for the Agency. Mr. Romero commended Mr. McGuire for his extra-curricular work like organizing an annual golf tournament for the Agency. Mr. Romero wished Mr. McGuire the best in his retirement.

Mr. Sylvester McGuire read prepared remarks and shared how he began his career with the Redevelopment Agency, and stated that he had a wonderful and productive career with the Agency. Mr. McGuire thanked Agency staff and the Commission for the opportunity to serve the City and County of San Francisco.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 4-2006, COMMENDING AND EXPRESSING APPRECIATION TO SYLVESTER MCGUIRE FOR HIS 37 YEARS OF DEDICATED PUBLIC SERVICE UPON THE OCCASION OF HIS RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (f) Resolution No. 5-2006, Memorializing and commending the contributions of Kenneth Rawls to the Redevelopment Agency of the City and County of San Francisco

Presenters: Ayisha Benham (Agency staff)

Commissioner King put forth a motion to adopt item 4 (f) and stated that he remembered Mr. Rawls who was a good, hard-working man, and he would be missed by all. Mr. King expressed his condolences to Mr. Rawls family and friends.

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (f).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 5-2006, MEMORIALIZING AND COMMENDING THE CONTRIBUTIONS OF KENNETH RAWLS TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

At this time, approximately 5:18 p.m., Commissioner Breed arrived at the meeting.

- 4 (g) Resolution No. 6-2006, Authorizing a 10-year lease with Gourmet Provisions, LLC, a Delaware limited liability company, doing business as Boxed Foods Company, for 2,096 square feet in the East Café in Yerba Buena Gardens; Yerba Buena Center Redevelopment Project Area

Presenters: Tiffany Bohee (Agency staff)

Commissioner Singh requested verification of the total square footage for lease, and that the rent is \$17.00 per square foot. Mr. Singh asked if staff knew of other low rents in the neighborhood.

Ms. Tiffany Bohee, Development Specialist, stated that the proposed lease was for approximately 2,100 square feet comprising of the inside eating area, but Boxed Foods would also have access to the outside area, which was about 700 square feet, for a total area of approximately 2,800 square feet. Ms. Bohee affirmed that the first year lease rate was \$17.00 per square foot, with rent escalations in the second and third year of the lease. Ms. Bohee stated that the \$17.00 per square foot rent was not a low rent, but a comparable rent with similar establishments in the area, like a delicatessen at 560 Mission Street, which rented for \$22.00 per square foot.

Commissioner Singh put forth a motion to adopt item 4 (g).

Commissioner Covington stated she had some concerns with the space in terms of its visibility, access and signage. Ms. Covington stated she thought that was one of the reasons why previous proprietors had difficulty in the past in drawing patronage into the spaces. Ms. Covington asked what the Agency's strategy was to make sure that the people attending events at the Moscone Convention Center and the Metreon facility were aware of the retail spaces.

Ms. Bohee stated that staff shared Commissioner Covington's concerns, and the strategy was twofold; first, the Agency would work with the tenant to develop a total signage package, not only on the building itself, but also directional signage that would direct people into the restaurant. Second, the tenant was very familiar with the area and would be undertaking its own direct marketing efforts with the Moscone Convention Center, surrounding hotels, and other establishments in the area.

Commissioner Covington inquired about the lease signage along Fourth Street and asked if the new signage would be similar and complimentary to the signage for the establishment at the West Café space. Ms. Covington stated she recalled that the signage facing the carousel was a small sign and asked how the new signage would look.

Ms. Bohee stated that staff would work with both tenants on their particular signage to ensure that the signs would be complimentary to each other while providing individuality in the design. Ms. Bohee stated that staff was presently working with the tenants on the direction signage to be placed along Mission, Fourth and Howard Streets facing the Moscone Convention Center. Ms. Bohee stated that the new signage facing the carousel was still being worked out with the tenants, but that the new signage would create individual identities for each tenant instead of homogenous signage for both.

Commissioner Covington stated that her point was to insure compatibility of the signage without competing dissidence among the establishments. Ms. Covington seconded Commissioner Singh's motion to adopt item 4 (g), and stated that she was very happy to see that the Agency had a tenant for the East Café.

Executive Director Rosen stated that staff would look into the signage issue and provide periodic updates to the Commission as the plan evolved.

President Peterson inquired about the protocol for leasing outdoor dining space.

Ms. Bohee stated that the lease of outdoor dining space was a negotiated matter, when the rent is based upon the interior space, with access to the outdoor dining space.

President Peterson requested verification that staff had checked the tenant's creditworthiness and that they had the capital to do the necessary tenant improvements. Mr. Peterson asked if the new restaurant would be a separate LLC or a part of the same entity.

Ms. Bohee stated that staff worked closely with the tenant's broker in a thorough review of their financials, cost of goods sold, and how well they were doing in their other two locations.

Mr. Kevin Best, President of Boxed Foods, stated that they had the capital to do the necessary tenant improvements, and that the new restaurant location would be a part of the same entity.

President Peterson stated he was happy to see Boxed Foods come to the Yerba Buena Gardens and congratulated them. Mr. Peterson shared that he had occasioned to visit the area recently and was impressed with all of the improvements and activities.

Commissioner Breed stated that she was very concerned with the very expensive rent and wanted to remind her fellow Commissioners that previous tenants in the spaces did not do well. Ms. Breed shared that she frequented Clouds Restaurant when it used to be at the East Café and although it enjoyed some initial success, the business ultimately failed. Ms. Breed stated she wanted the Commission to be aware of previous decisions it had made that had resulted with businesses coming back to the Agency for financial assistance, and in the case of Boxed Foods, the rents seemed extremely high to begin with, with rent escalations in future years, which were of concern to her. Ms. Breed stated she would support the matter, but wanted to state for the record that the initial rent was much higher that it should be.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 6-2006, AUTHORIZING A 10-YEAR LEASE WITH GOURMET PROVISIONS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DOING BUSINESS AS BOXED FOODS COMPANY, FOR 2,096 SQUARE FEET IN THE EAST CAFÉ IN YERBA BUENA GARDENS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h)** Resolution No. 7-2006, Approving a Personal Services Contract with Zimmer Gunsul Frasca Partnership, a general partnership, in an amount not to exceed \$250,000 to prepare a Streetscape and Open Space Plan for the Transbay Redevelopment Project Area; Transbay Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 7-2006, APPROVING A PERSONAL SERVICES CONTRACT WITH ZIMMER GUNSUL FRASCA PARTNERSHIP, A GENERAL PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$250,000 TO PREPARE A STREETSCAPE AND OPEN SPACE PLAN FOR THE TRANSBAY REDEVELOPMENT PROJECT AREA; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (i) and 4 (j) were presented together and acted upon separately.

- 4 (i)** Resolution No. 8-2006, Adopting a Negative Declaration and authorizing an Owner Participation Agreement with Sutter Place, LLC, a California limited liability company, for the development of a mixed-use project that includes 128 for-sale residential condominium units at 1355-1375 Sutter Street; Western Addition Redevelopment Project Area A-2
- (j)** Resolution No. 9-2006, Conditionally approving a schematic design for a mixed-use project that includes 128 for-sale residential condominium units at 1355-1375 Sutter Street; Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff), Dennis Henmi (Kwan-Henmi Architects)

Commissioner Covington inquired about the proposed tower and asked what would be on the remaining roof surface of the existing building.

Mr. Dennis Henmi of Kwan-Henmi Architects, stated that the existing building had a doughnut shape and the proposed tower would be located on the west side of the building, with the remaining roof surface to be a landscaped courtyard that would be viewed from the tower.

Commissioner Covington asked staff to address the in-lieu payment in excess of \$2 million, if it was going into a fund or expended elsewhere.

Mr. Olson Lee, Deputy Executive Director for Housing, stated that the in-lieu payment would be placed in a fund for affordable housing development within the Western Addition. Mr. Lee stated that options for the expenditure of the funds included proposed projects like 1345 Turk Street for affordable homeownership units. Mr. Lee stated that the money could also be used to bring down the affordability level of the proposed units, say from 90% of Area Median Income (AMI) to 75 or 80% of AMI. Mr. Lee stated that the funds would not be in the possession of the Agency until construction closed on the project, which at the present time was not known.

Commissioner Covington asked how much money was left in the affordable housing fund for the Western Addition.

Mr. Lee stated that funds for affordable housing development expended in the Western Addition came from the citywide tax increment funds, which was a larger pool of money used to bring resources to the Western Addition for specific affordable housing projects. Mr. Lee stated that he was not certain about the current balance, but there was approximately \$90 million in anticipated expenditures for affordable housing citywide in the existing fiscal year, and there was another \$90 million estimated to be expended citywide in future fiscal years, subject to Commission approval of specific projects. Mr. Lee stated that these anticipated expenditures were for projects in the pipeline and he did not have the specific dollar amounts.

Executive Director Rosen stated that staff would provide the Commission with the additional information. Ms. Rosen explained that the in lieu fee when available, it would be subject to programming and appropriation by the Commission for the dedicated purpose of meeting affordable housing needs in the Western Addition. Ms. Rosen stated that because the Western Addition A-2 Redevelopment Plan is close to expiration and is close to reaching its tax increment limit, the Agency had used its authority to use tax increment funds generated in other redevelopment project areas for approved affordable housing projects in the Western Addition.

Commissioner Covington inquired about the estimated \$180 million that Mr. Lee alluded to, and asked if it all had to be spent or encumbered over the next year and a half.

Executive Director Rosen stated she thought that the number that Mr. Lee provided was the pipeline of Agency approved projects and the estimated total local subsidy needs for those developments, some of which had already been approved by the Commission, in the form of loan agreements, some were planning estimates of subsidies needed and were reserved, but not yet encumbered by Commission action, for particular developments, some are in the pipeline for consideration, and these represented projects in the planning phases, and not dedicated numbers. Ms. Rosen stated that staff could provide the Commission with more detailed information as the Agency went into the budget planning.

Mr. Lee added that these were projects primarily in the planning and development pipeline, where there was either authority from the Commission on predevelopment loans, in anticipation of future subsidies or where the Agency had ownership of a particular site whether they were on the Octavia Boulevard or in the Mission Bay North Redevelopment Project Area. Mr. Lee stated that the Agency had generated anticipated demand for funds based upon those opportunities that the Agency was presently aware of, and there may be other opportunities that would become available even for sites not owned by the Agency

Commissioner Covington asked what the vote of the Citizens' Advisory Committee was on the proposed project.

Mr. Ricky Tijani, Senior Development Specialist, stated that the Citizens' Advisory Committee voted unanimously to endorse the proposed project.

Commissioner Covington put forth motions to adopt items 4 (i) and 4 (j). Commissioner Romero seconded both motions.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 8-2006, ADOPTING A NEGATIVE DECLARATION AND AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH SUTTER PLACE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF A MIXED-USE PROJECT THAT INCLUDES 128 FOR-SALE RESIDENTIAL CONDOMINIUM UNITS AT 1355-1375 SUTTER STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 9-2006, CONDITIONALLY APPROVING A SCHEMATIC DESIGN FOR A MIXED-USE PROJECT THAT INCLUDES 128 FOR-SALE RESIDENTIAL CONDOMINIUM UNITS AT 1355-1375 SUTTER STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Items 4 (j) and 4 (k) were presented together and acted upon separately.

- 4 (j)** Resolution No. 10-2006, Authorizing an Owner Participation Agreement with 238 Olive Street, LLC, a California limited liability company, for the development of eight residential condominium units at 238 Olive Street (Assessor's Block 0719, Lot 082); Western Addition Redevelopment Project Area A-2
- 4 (k)** Resolution No. 11-2006, Conditionally approving the schematic design for the development of eight residential condominium units at 238 Olive Street (Assessor's Block 0719, Lot 082); Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff), Garry Gee (Architect)

Commissioner Romero stated that it certainly seemed that the proposed project would be a significant improvement over the current use of the site, and put forth motions to adopt items 4 (j) and 4 (k).

Commissioner Breed seconded Commissioner Romero's motions.

Commissioner Covington asked if there was a ballpark figure for the cost of the units. Ms. Covington requested verification that all eight units would be two-bedroom units with off-street parking for each and a roof garden.

Mr. Bart Murphy, the managing partner of 238 Olive Street LLC, stated that he would not have a specific idea of the sales price of the units when completed, but would imagine that under current market trends, the sales price would be about \$600,000 to \$675,000 per unit. Mr. Murphy affirmed that all eight units would be two-bedroom units with off-street parking for each and a roof garden.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 10-2006, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH 238 OLIVE STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF EIGHT RESIDENTIAL CONDOMINIUM UNITS AT 238 OLIVE STREET (ASSESSOR'S BLOCK 0719, LOT 082); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 11-2006, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE DEVELOPMENT OF EIGHT RESIDENTIAL CONDOMINIUM UNITS AT 238 OLIVE STREET (ASSESSOR'S BLOCK 0719, LOT 082); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Ace Washington, Angelo King, Rev. Arnold Townsend

7. REPORT OF THE PRESIDENT

- President Peterson stated he wanted to welcome Commissioner Covington back, on behalf of the Commission and Agency staff, and that he looked forward to seeing her more often.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated that a few months ago, in preparation for the Agency's office move scheduled on the first weekend of February 2006, staff had suggested canceling the first meeting in February, on February 7th. Ms. Rosen stated that she had looked at the proposed February 21st agenda and it was a very long one, so she had worked with staff to see if there were items that could be ready for the February 7th meeting. As the Commission could see in the forward calendar, staff was proposing a Commission meeting on February 7th with a reasonable number of items, and she was prepared to ease the burden for the February 21st meeting. Unless the Commission directs otherwise, there will be a Commission meeting on February 7th, and staff would work hard to get the Agenda packets earlier than usual before staff had to pack for the office move.
- Executive Director Rosen stated that she was not able to attend the Martin Luther King, Jr. annual breakfast celebration as she was out of town, but wanted to convey her delight and pride to Commissioner Breed who was awarded the Martin Luther King, Jr. Distinguished

Community Service award. Ms. Rosen congratulated Commissioner Breed for being recognized as a community leader in San Francisco.

- Mayor Newsom was swearing-in Commissioner Romero for his next term in office on January 18th, 3:30 p.m. at the Mayor's balcony, 2nd floor of City Hall.
- January 12th opening of a senior housing development in Yerba Buena Center, named in honor of Mr. Eugene Coleman from the Mayor's Office of Community Development. The completed development was now occupied and the celebration commemorating Mr. Coleman was wonderful.
- January 17th ground-breaking ceremony for the Providence Senior Housing development, with Commissioner King and Mayor Newsom in attendance. Also in attendance was Mr. Angelo King of the Bayview Hunters Point Project Area Committee as well as many members of the Bayview community. The joyous event spoke of the commitment of Providence Foundation headed by Rev. Calvin Jones to make the church's parking lot an asset for the community. They began working on the project eight years ago and it took three tries to obtain Housing and Urban Development funding, and everyone looked forward to the grand-opening in about two years.
- Executive Director Rosen stated that the Agency had an opportunity that the Mayor recognized in his letter to the Commission about naming the senior housing development on Parcel C in the Western Addition, which would be 100 units of senior housing with services, in honor of Mrs. Mary Rogers. Ms. Rosen stated that as the Commission could see on the forward calendar, the next action to reenter into an exclusive negotiations with Mission Housing Development Corporation and their new partners was tentatively scheduled for the next Commission meeting, and if the Commission desired, that would be an appropriate time to take formal action in recognizing Mrs. Rogers for the Parcel C senior housing development. Ms. Rosen sent her greetings to Mrs. Rogers, and stated that she would await directions from the Commission on how to proceed.
- Agency staff had been working with the Mayor's Office to schedule a ribbon-cutting for the Plaza Apartments, which was now anticipated to be for the last week in February. The Commission would be informed of the specific date as soon as it becomes available.
- The regular PIDC Board meeting scheduled for January 24th was cancelled.

- Ms. Rosen informed that the staff of the State Department of Housing and Community Development recommended on January 13th, an award of \$10.5 million for the 10th and Mission family housing project.
- Ms. Rosen informed the public that the Redevelopment Agency was moving its offices on the first weekend in February, and the first day of business in the new office was schedule for February 6th, and the new office address is One South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103, with the same telephone numbers and e-mail addresses.
- Ms. Rosen stated in response to Rev. Arnold Townsend's comments, the Commission was provided with an informational memorandum regarding an update with the Agency's negotiations with Lennar and also a copy of her letter to Rev. Edgar Boyd on this matter. As the Commission was aware, the first phase of housing in the Shipyard, containing 1,600 units included 70% which were planned for ownership and 30% for rental units. Lennar had made a proposal, which staff thought, was a very good proposal, to further enhance the ownership opportunities, and as a result of that change in creating more market opportunities for Lennar, they had offered to have the affordable units be affordable at the very deep level that would otherwise be affordable for rental housing, which usually would not be achievable for ownership units. Lennar had also offered to create additional community builder opportunities as part of their proposal. The favorable staff response that had been communicated to Lennar, would require an amendment to the Disposition and Development Agreement (DDA). Lennar had also asked for consideration of other amendments to the DDA related to the exercise of an option for the prepayment of the land, and staff would continue to work closely with Lennar, with the expectation to be before the Commission with recommendations to amend the DDA. Staff had confidence that an agreement would soon be reached and would be presented to the Commission in the near future.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington stated that she wanted to take the opportunity to publicly thank her fellow Commissioners and Agency staff that had supported her in the past two months. Ms. Covington stated that the cards, visits, telephone calls and beautiful flowers had really lifted her up along with the prayers, and that she and her son really appreciated that.

- Commissioner Covington requested to place on the next agenda the Mayor's suggestion of naming the senior housing development on Parcel C in honor of Mrs. Mary Rogers.
- Commissioner Breed stated that she was really happy to have Commissioner Covington back on the Commission and that she missed her very much. Ms. Breed stated she wanted to send congratulations to Mr. Eugene Coleman and Providence Baptist Church. Ms. Breed stated she was not able to attend the grand opening and the groundbreaking, but that she had known Rev. Calvin Jones ever since she was very young because he was her mentor, and recalled Rev. Jones talking about developing senior housing for as long as she could remember. Ms. Breed stated that she was really proud and happy for Rev. Jones.
- Commissioner Breed stated she wanted to thank Commissioner King who attended the Martin Luther King, Jr. breakfast celebration (on January 16th) as well as Commission Yee who was not able to attend, but did call and promised to take her out to lunch. Ms. Breed stated it was a real honor to receive such an award.
- Commissioner King stated he was happy to hear the Executive Director give an update on the Hunters Point Shipyard and the proposal from Lennar. Mr. King stated that he would like to convene the Working Group as soon as possible and urged the Executive Director to proceed.

Executive Director Rosen stated that she and Commissioner King had a discussion about the need to convene the Working Group once the Agency had settled in the new offices, and once the data from the last year were compiled, and looked forward to working with Commissioner King.

- Commissioner Breed asked if the Executive Director had an estimate as to when the Lennar proposal matter would be calendared before the Commission.

Executive Director Rosen stated she would hope that the matter would be scheduled either on the February 21st Commission meeting or one of the two meetings in March. Ms. Rosen stated that staff was working very diligently with Lennar to come to conclusion on their proposal.

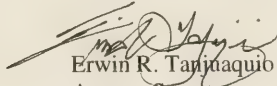
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.9(c): Conference with Legal Counsel regarding initiation of litigation: one potential case.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:55 p.m. The January 17, 2006 Commission meeting was adjourned in memory of Ms. Jo Mae Garry and Mr. Kenneth Rawls.

Respectfully submitted,



Erwin R. Tapia
Agency Secretary

APPROVED:

February 7, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
7TH DAY OF FEBRUARY 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of February 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

London Breed

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:**

CONTINUED FROM THE JANUARY 17, 2006 COMMISSION MEETING

- 3 (a) Resolution No. 1-2006, Commending and expressing appreciation to Harriet Starkes for her 35 years of dedicated public service on the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Olson Lee (Agency staff)

Commissioner King put forth a motion to adopt item 3 (a) and stated that he had known Ms. Harriet Starkes for many years since he came to the Agency Commission in 1980. Mr. King congratulated Ms. Starkes on her retirement and wished her the best of luck, and urged her not to go too far as the Agency may have to call on her services.

Commissioner Yee stated that Ms. Starkes was an outstanding individual with dedication and she had his admiration. Mr. Yee stated that the Executive Director would have a hard time replacing Ms. Starkes. Mr. Yee invited Ms. Starkes to go fishing with him sometime, and wished her the best in her retirement. Mr. Yee seconded Commission King's motion to adopt item 3 (a).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. SINGH ABSENT) THAT ITEM 3 (a) RESOLUTION NO. 1-2006, COMMENDING AND EXPRESSING APPRECIATION TO HARRIET STARKES FOR HER 35 YEARS OF DEDICATED PUBLIC SERVICE ON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of January 17, 2006

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. YEE ABSTAINED, MS. BREED AND MR. SINGH ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF JANUARY 17, 2006, BE ADOPTED.

REGULAR AGENDA

- 4 (b)** Resolution No. 12-2006, Designating Central Freeway Parcel C in honor of Mrs. Mary Helen Rogers, a co-founder of the Western Addition Community Organization (WACO), the facilitator of the first Project Area Committee in the nation, and the founding and current Chair of the Western Addition Citizens Advisory Committee; Western Addition Redevelopment Project Area A-2

Presenters: Marcia Rosen (Agency staff)

Speakers: Espanola Jackson, Charlie Walker, James Pye, Jr., Sandy Mori, Rev. Arnold Townsend, Carmen Johnson, Mario Rogers, Daniel Homsey (MONS)

At this time, approximately 4:25 p.m., Commissioner Singh arrived at the meeting.

Commissioner King stated that it was a great day for him to see Mrs. Mary Rogers honored. Mr. King stated that his two daughters, Rebecca and Caroline, were in attendance to also honor Mrs. Rogers. Mr. King stated that he met Mrs. Rogers in 1963 when she led the charge in fighting discrimination at the Raphael Weill Elementary School where his children attended. Mr. King stated he wanted to personally thank Mrs. Rogers for helping out his family and many others in the Western Addition community. Mr. King stated that since then, he and Mrs. Rogers had struggled together to improve the community and recalled one of the successes in the groundbreaking of Parcel 732-A, where a photograph of the two of them was taken, and reminded him that he and Mrs. Rogers had been the champions of the Western Addition community. Mr. King stated that Mrs. Rogers would be around for a long time to work on many other community issues with him. Mr. King stated that people can thank Mrs. Rogers for the diverse employment at the Safeway supermarket that she fought very hard for. Mr. King congratulated Mrs. Rogers and put forth a motion to adopt item 4 (b).

Commissioner Covington stated that everyone understood that housing was a basic need, but it really took a visionary like Mrs. Mary Rogers to understand what housing means to a community, not just to a family, not just to a single person or to a mom and her kids. Ms. Covington stated that it also took someone who was steadfast, and while everyone spoke about young folks not having the fire in their bellies to fight the good fight and do what was necessary for the betterment of the whole community, Mrs. Rogers had enough fire in her belly for a whole lot of people who were lacking. Ms. Covington stated she really appreciated Mrs. Rogers' 45 years of protracted struggle, an incredible amount of commitment, when she could have been knitting or watching the soap operas, but was out there keeping people accountable at all times. Ms. Covington stated she so looked forward to the ribbon-cutting for the fabulous new Mrs. Mary Helen Rogers Senior Community, and hoped that the development would have a fabulous piece of artwork that would somehow encapsulate her spirit, energy and commitment, be it a bust or an oil portrait. Ms. Covington stated that whatever the plans were for the building, there should be a very nice niche available for people to look at Mrs. Rogers' smiling face, and hoped that Mrs. Rogers would be there to dance with everyone because she loved

music. Ms. Covington stated that people should really see the documentary on the Fillmore and Western Addition, which had some wonderful footage of Mrs. Rogers who was and still is very adorable. Ms. Covington wished Mrs. Rogers the best and seconded Commissioner King's motion to adopt item 4 (b).

Commissioner Singh stated he was sorry for being late as he had to go to Sacramento. Mr. Singh stated that Mrs. Mary Rogers was not only a pillar of the Western Addition community, but the whole City as well. Mr. Singh stated that it would also be a good idea to perhaps name a San Francisco street in Mrs. Rogers' honor, and he would be more than happy to support that. Mr. Singh shared that his wife would always ask him if Mrs. Rogers was at the Commission meeting because of her continued presence. Mr. Singh thanked Mrs. Rogers for everything that she did and continued to do for the City.

Commissioner Romero stated that he had only known Mrs. Mary Rogers for eight years and remembered that on his first Commission meeting, Mrs. Rogers introduced herself to him, and now after eight years on the Commission, he knew why it was important to know Mrs. Rogers and why it was important for Mrs. Rogers to know him. Mr. Romero stated he just wanted to thank Mrs. Rogers for not ever giving up and while he had only seen her in action for eight years, it was amazing to hear people talk about her 45 years of activism, and it really took a very special person to show that kind of dedication to her community, her principles and what she believed in. Mr. Romero stated that everyone would like to spend more time with family and leisure time, but it took extra work, dedication and effort to essentially be the watchdog for the Agency Commission, and when someone stated earlier that Mrs. Rogers fought development, they were right in that Mrs. Rogers did fight unjust development, but also fought very hard for good development that benefited the community and the City. Mr. Romero stated that one could see the fruits of Mrs. Rogers' labor in the Fillmore Heritage development and other affordable housing projects, that she had really educated him as a Commissioner and made him more sensitive to her community, and demonstrated that the work the Commission did really had an impact on people's lives. Mr. Romero stated he would never forget that and thanked Mrs. Rogers for all her hard work.

Commissioner Yee stated that it was rather fitting to name Central Freeway Parcel C in honor of Mrs. Mary Rogers and that he would also support a more significant honor like what had been suggested, to name a City street in Mrs. Rogers' honor. Mr. Yee urged members of the community to organize and speak with members of the Board of Supervisors, who were well aware of Mrs. Rogers' contributions to the City. Mr. Yee stated that Mrs. Rogers' dedication and hard work for many years had earned everyone's respect and admiration. Mr. Yee stated that he met Mrs. Rogers

about 11 years ago through Commissioner King and recalled telling Mr. King that he (Mr. Yee) wished the Chinese-American community had a godmother like Mrs. Rogers was for the African-American community. Mr. Yee stated that he always sought Mrs. Rogers' advice and counsel and thanked her for the dedication and hard work, and that each member of the Commission would always remember her dearly. Mr. Yee stated that Mrs. Rogers' activism and commitment had really educated the whole Commission and she would always be with the Commission. Mr. Yee stated that although Mrs. Rogers' voice was a little weak, her spirit was alive and strong, and that she would be with the Agency for many years to come. Mr. Yee encouraged Mrs. Rogers to keep up the good work because the community and the whole City needed her. Mr. Yee wished Mrs. Rogers blessings from God and good health.

President Peterson stated there was a reason for putting the Parcel C designation at the beginning of the agenda because he knew that the item would elicit the most number of speakers and supporters. Mr. Peterson stated he felt that he was not worthy to speak about Mrs. Rogers since he had only known her for a short time, but enjoyed the opportunity to have met and worked with her on important community matters. Mr. Peterson stated that the designation of Parcel C in honor of Mrs. Rogers was a wonderful honor and that he echoed his fellow Commissioners' sentiments. Mr. Peterson stated it was clear that Mrs. Rogers is a heroine to the African-American community and it was the Commission's pleasure to bestow the well-deserved honor to her. Mr. Peterson stated that he looked forward to the ground-breaking and ribbon-cutting ceremonies with Mrs. Rogers.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 12-2006, DESIGNATING CENTRAL FREEWAY PARCEL C IN HONOR OF MRS. MARY HELEN ROGERS, A CO-FOUNDER OF THE WESTERN ADDITION COMMUNITY ORGANIZATION (WACO), THE FACILITATOR OF THE FIRST PROJECT AREA COMMITTEE IN THE NATION, AND THE FOUNDING AND CURRENT CHAIR OF THE WESTERN ADDITION CITIZENS ADVISORY COMMITTEE; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (c) Resolution No. 13-2006, Authorizing an Exclusive Negotiations Agreement with Mission Housing Development Corporation, a California nonprofit public benefit corporation; the John Stewart Company, a California corporation ("JSCO"); and Devine & Gong, Incorporated, a California corporation ("DGI") and a First Amendment to the Tax Increment Loan Agreement and Promissory Note to add JSCO and DGI as borrowers and revise the schedule of performance for the development of 100 units of very

low-income senior housing on Central Freeway Parcel C, southwest corner of Golden Gate Avenue and Franklin Street, Lot 13 in Assessor's Block 768, in the Western Addition Redevelopment Project Area A-2; Citywide Housing Tax Increment Program

Presenters: Tiffany Bohee (Agency staff)

Speakers: Rev. Arnold Townsend

Commissioner Romero congratulated everyone involved for their cooperation on a very important project that was back on track. Mr. Romero stated he hoped that the project would proceed efficiently without further delays. Mr. Romero thanked Agency staff, in particular, Mr. Olson Lee, for their hard work. Mr. Romero put forth a motion to adopt item 4 (c).

Commissioner Singh stated he was happy to see the progress that had been made on the proposed senior housing development. Mr. Singh seconded Commissioner Romero's motion to adopt item 4 (c).

Commissioner Yee asked staff to re-introduce representatives of the new partnership. Mr. Yee requested verification that members of the new partnership each had a one-third share of the partnership.

Ms. Tiffany Bohee, Development Specialist, stated that the new partnership comprised of Mission Housing and Development Corporation, John Steward Company and Devine and Gong, Inc., and introduced representatives from each of the partners. Ms. Bohee affirmed that members of the new partnership each had a one-third share of the limited partnership.

Commissioner Covington stated she had the same question as Commissioner Yee and asked if there were guidelines for dispute resolution among the partners and if such disputes would be mediated and decided by the Agency.

Ms. Bohee stated that the partnership had developed a Memorandum of Understanding (MOU), which staff had worked with the developers to lay out the roles and responsibilities of each partner as well as the Agency. Agency staff found the MOU to be acceptable.

Commissioner Covington asked staff to provide highlights of the dispute resolution outlined in the MOU.

Ms. Bohee stated that there were two general partners, and the votes of two partners would be required to resolve any dispute.

Commissioner Covington asked what recourse would the dissenting voice have in a dispute resolution to correct a perceived wrong, and would they come to the Agency.

Mr. Jack Gardner of the John Stewart Company, stated that they had crafted a MOU that spelled out the respective roles and responsibilities of each of the partners, and would be happy to provide copies to the Commissioners. Mr. Gardner stated that the MOU emphasized the strengths of each of the partners, in terms of the financial expertise of Devine and Gong, the development and management expertise of the John Stewart Company, and the community basis and history that Mission Housing had with the project. Mr. Gardner stated that the basic structure was that majority vote would prevail among the three partners, but there were arbitration provisions contained in the MOU, should that be necessary.

Commissioner Covington asked if there was an entity identified to handle the arbitration.

Mr. Gardner stated that an entity had not been identified, but the partnership could agree on an arbitration agent, or each of the partners could appoint their own agent, then a third impartial arbitrator could be selected, and the MOU had such a structure that was typical in order to have a neutral party to arbitrate any dispute.

Commissioner Covington requested that a copy of the MOU be provided to members of the Commission. Ms. Covington stated that she was happy to see progress being made on the project.

President Peterson asked what would happen if one of the three entities ceases to exist, how that would affect the partnership especially during the construction phase as that may have an impact on the financing of the project.

Mr. Gardner stated he thought that was a large part of the intent to bring three strong and experienced organizations together into the partnership, so that if any one of the partners had financial or organizational difficulties, the other two partners are there to both support the third partner through that process, and also to ensure the successful and timely completion of the project, regardless of any problems that might occur on the part of a single partner. Mr. Gardner stated that they were all joining together to make the guarantees that are required by the lenders and investors, and that they were joining together and combining their balance sheets so that there was adequate financial strength regardless of any downturns of any individual partner.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 13-2006, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MISSION HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION; THE JOHN STEWART COMPANY, A CALIFORNIA CORPORATION ("JSCO"); AND DEVINE & GONG, INCORPORATED, A CALIFORNIA

CORPORATION ("DGI") AND A FIRST AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT AND PROMISSORY NOTE TO ADD JSCO AND DGI AS BORROWERS AND REVISE THE SCHEDULE OF PERFORMANCE FOR THE DEVELOPMENT OF 100 UNITS OF VERY LOW-INCOME SENIOR HOUSING ON CENTRAL FREEWAY PARCEL C, SOUTHWEST CORNER OF GOLDEN GATE AVENUE AND FRANKLIN STREET, LOT 13 IN ASSESSOR'S BLOCK 768, IN THE WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE HOUSING TAX INCREMENT PROGRAM, BE ADOPTED.

- 4 (d)** Resolution No. 14-2006, Authorizing a First Amendment to the Personal Services Contract with Urban Strategies Council, a California nonprofit corporation, to increase the contract amount by \$77,000 for a total aggregate amount not to exceed \$362,922, to provide technical assistance and outreach services to the Hunters Point Shipyard Citizen's Advisory Committee in connection with the formation of the quasi-public entity; Hunters Point Shipyard Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff)

Speakers: Marcia Dale-LeWinter

Commissioner King stated that he was very disturbed with the item because he did not know who the developer was and had not seen the contract compliance. Mr. King asked who the developer was.

Executive Director Rosen stated that it was not a developer, but a consultant to the Hunters Point Shipyard Citizens' Advisory Committee (CAC), selected by the Commission in July 2005. Ms. Rosen stated that a copy of the Commission memorandum was attached to the memorandum for item 4 (d), and there was a solicitation process pursuant to the Agency's Purchasing Policy. Ms. Rosen stated that the matter before the Commission was an amendment to an existing personal services contract authorized by the Commission in July 2005.

Commissioner King stated that the Agency was going back to the old way of doing things where the new Commissioners did not even know who the consultants were, and the Commission had no opportunity to review these contracts. Mr. King stated that he was opposed to the items until the Commission could conduct a retreat. Mr. King asked President Peterson when the retreat was being scheduled.

President Peterson stated that Commissioner Covington would be organizing a series of workshops on a variety of subjects, but no other Commissioner besides Commissioner King, was in support of holding a full-day retreat at the present time.

Commissioner Yee asked if there were representatives from Urban Strategies Council in attendance.

Mr. Thor Kaslofsky, Assistant Project Manager, introduced Mr. Junius Williams and Sarah Price of Urban Strategies Council.

President Peterson requested staff, at future Commission presentations, to acknowledge and introduce everyone associated with the items being presented.

Commissioner Romero stated that he recalled the Commission approving the contract in 2005, and asked what specifically was the \$77,000 was for.

Ms. Nicole Franklin, Project Manager, stated that when the Agency solicited for the services, the selected consultant had to work with the CAC, Mayor's Office, Supervisor Maxwell's office and the Agency to develop an engagement plan, and staff could not really figure out how much that portion of the scope of services would cost, until they were able to work with the community to figure out what kind of community outreach program had to be put into place. Ms. Franklin stated that the Agency working with Urban Strategies, had gone through that process of working with the CAC, Mayor's Office and Supervisor Maxwell's office and developed an engagement plan with a cost estimate. Ms. Franklin stated that was the reason why the matter was before the Commission because staff did not have the estimate when the original contract was let.

Commissioner Romero stated he understood and that it was important to support the ongoing work at the Hunters Point Shipyard. Mr. Romero put forth a motion to adopt item 4 (d).

Commissioner Covington requested the Chief Executive Officer of Urban Strategies Council to provide a brief verbal resume of what his organization had accomplished since its founding in 1987.

Ms. Junius Williams of Urban Strategies Council, stated that Urban Strategies Council was a community building, support and advocacy organization, and they did research and policy analysis, program development, capacity building and a lot of advocacy work. Mr. Williams stated that over the course of their history, their work had spanned from the areas of early childhood education where they organized an Oakland community to save the early childhood education program that was about to be closed by the State. Mr. Williams stated that they had also done a youth development initiative in the City of Oakland and had raised approximately \$100 million for various projects with partners in Oakland. Mr. Williams stated that currently, they had three main program areas, (1) economic

opportunity, where they were working on economic development, specifically redevelopment in Oakland and trying to negotiate a community benefits agreement for economic development projects. Mr. Williams stated that they worked on the earned-income tax credit campaign in the County of Alameda to make sure that families could capture the earned-income tax and child care credits. Mr. Williams stated they also had a community safety and justice program working on issues of reentry of formerly incarcerated people back into the community to improve the rates at which they successfully re-integrate in the community. Mr. Williams stated that they had been a long-time player in education reform efforts in Oakland, where they provided staff for the community after-school alliance, which was a group of service providers who provide after-school programs, and that they had been instrumental in the school site decision making policy in the City of Oakland and were attempting to work with the State Administrator because the school was in receivership. Mr. Williams stated that they had a wide range of programs locally, including an active research shop, two data warehouses and mapping services that are free on-line services to the community.

Commissioner Covington stated that Mr. Williams described worthwhile projects in the East Bay, and asked what their track record in San Francisco was.

Mr. Williams stated this was the first major project they had done in San Francisco.

Commissioner Covington asked if what they were doing for the Hunters Point Shipyard would fall under social marketing, and what the product would be.

Mr. Williams stated that they were obligated under the contract to produce two deliverables, one was to present at least two recommendations on what sort of quasi-public entity would be constructed that would manage and administer the funds that would come as a result of the enhanced community benefits agreement through the Disposition and Development Agreement. Secondly, they were tasked with developing what was called an investment roadmap for the quasi-public entity to use in prioritizing investments.

Commissioner Covington thanked Mr. Williams and seconded Commission Romero's motion to adopt item 4 (d).

Commissioner Yee requested verification that Urban Strategies Council was headquartered in Oakland. Mr. Yee asked how long they had been in business and how many employees they had.

Mr. Williams affirmed that Urban Strategies was headquartered in Oakland and they were founded in 1987. Mr. Williams stated they had eight full-time and four part-time employees.

Commissioner Singh commended Mr. Williams for the good work they were doing, and inquired about their work on a reentry program for formerly incarcerated people, and asked if they had done work for the State Department of Corrections.

Mr. Williams stated that they were working on a reentry program for formerly incarcerated people in Alameda County. Mr. Williams stated that they had worked with the Secretary and Undersecretary around some of the reform effort that went on to restructure the department and to create what was now the Division of Community and Corrections Partnership, and they had also obtained data from them to more accurately reflect the number of folks within the county under supervision by the California Department of Corrections and Rehabilitation. Mr. Williams stated that they also had a project with a partner inside San Quentin working with folks that were formerly incarcerated in preparation for their release.

Commissioner Singh stated he would like to talk to Mr. Williams more about their work with the Department of Corrections, because he (Mr. Singh) was currently serving on the State Prison Board.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. COVINGTON, TO ADOPT ITEM 4 (d) RESOLUTION NO. 14-2006, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH URBAN STRATEGIES COUNCIL, A CALIFORNIA NONPROFIT CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$77,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$362,922, TO PROVIDE TECHNICAL ASSISTANCE AND OUTREACH SERVICES TO THE HUNTERS POINT SHIPYARD CITIZEN'S ADVISORY COMMITTEE IN CONNECTION WITH THE FORMATION OF THE QUASI-PUBLIC ENTITY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Covington
Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING WERE ABSENT:

Ms. Breed

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 14-2006 WAS ADOPTED.

- 4 (e)** Resolution No. 15-2006, Authorizing a retroactive Letter Agreement with the Department of Public Works for the City and County of San Francisco to coordinate all necessary City approvals in connection with the construction of horizontal improvements at the Hunters Point Shipyard pursuant to the Disposition and Development Agreement- Hunters Point Shipyard Phase I, for an amount consistent with the approved budget set forth in that Disposition and Development Agreement; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Commissioner Romero thanked Ms. Franklin for a very thorough presentation and put forth a motion to adopt item 4 (e).

Commissioner Covington requested verification that any costs above the \$4.5 million budget would be incurred by Lennar.

Ms. Nicole Franklin, Project Manager, affirmed that Lennar would incur any costs above the \$4.5 million budget.

Commissioner Covington seconded Commissioner Romero's motion to adopt item 4 (e).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, TO ADOPT ITEM 4 (e) RESOLUTION NO. 15-2006, AUTHORIZING A RETROACTIVE LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS FOR THE CITY AND COUNTY OF SAN FRANCISCO TO COORDINATE ALL NECESSARY CITY APPROVALS IN CONNECTION WITH THE CONSTRUCTION OF HORIZONTAL IMPROVEMENTS AT THE HUNTERS POINT SHIPYARD PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT- HUNTERS POINT SHIPYARD PHASE I, FOR AN AMOUNT CONSISTENT WITH THE APPROVED BUDGET SET FORTH IN THAT DISPOSITION AND DEVELOPMENT AGREEMENT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Covington
Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING WERE ABSENT:

Ms. Breed

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 15-2006 WAS ADOPTED.

- 4 (f)** Resolution No. 16-2006, Authorizing execution of a Personal Services Contract with Tom Eliot Fisch, a California corporation, to provide architectural and engineering services for Phase Two improvements to South Beach Park and Harbor and Pier 40 in an amount not to exceed \$258,662, plus a contingency of \$25,000 for a total aggregate amount not to exceed \$283,662; Rincon Point-South Beach Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Commissioner Romero stated that the team was a good looking team headed by a firm with a proven track record, and put forth a motion to adopt item 4 (f).

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (f).

Commissioner King stated he would vote against the contract and wanted to know when the project would be transferred to the Port of San Francisco, because it was on Port property, it should be under the jurisdiction of the Port of San Francisco.

Ms. Amy Neches, Senior Project Manager, stated that the intention of the Agency's relationship with the Port is that when redevelopment activities were completed for about six properties leased from the Port, they would be returned for long term management by the Port. Ms. Neches stated that the

Port was anxious for the Agency to complete the improvements, and like the Port's other tenants, the Agency was responsible for maintaining and upgrading the property, and it was estimated that the current work would take about two years to complete. Ms. Neches stated that the Agency had been working with Port on possible transfer issues, but the work needed to be completed prior to transferring the property.

Commissioner Yee stated he recalled that many years ago, he was the one who brought up the issue of transferring property back to the Port, because the Agency should focus on redevelopment issues and not on maritime issues. Mr. Yee stated he also recalled that Agency staff was negotiating with then Port Director, Mr. Doug Wong who stated at the time, that the Agency had to pay down the debt on the improvements before the Port would accept transfer of the property. Mr. Yee stated he agreed with Commissioner King's statements that the Agency should just do what it did best and transfer the property back to the Port. Mr. Yee stated that he would join Commissioner King in not voting for the proposed contract.

Commissioner Covington stated she was a bit confused because the Agency had already made commitments to complete the work on the properties, and she would understand if it was the will of the Commission to not undertake new projects on Port property, but the Agency had already made a long-term commitment to complete the improvements. Ms. Covington asked if it was being suggested that the Agency drop the projects and the Port would pick them up, and if that was the suggestion, then that would not lead to good inter-agency relationships. Ms. Covington stated she was perplexed with the suggestion.

President Peterson stated he understood the concerns of his fellow Commissioners as it related to the Port, but that he agreed with Commissioner Covington that the Agency had made long-term commitments. Mr. Peterson stated that personally, it did not matter who did the improvements, whether it was the Port or the Agency because the improvements were being done for one City and that the Port and the Agency were part of the City team. Mr. Peterson stated he would support the proposed contract.

Commissioner Yee stated that he agreed with President Peterson's statements, but he felt frustrated because the Agency had done a lot of work and he knew that the proposed contract would be approved even with him and Commissioner King voting against it. Mr. Yee stated that he just did not like the idea of going back and forth with projects on Port property, when the Commission had directed staff to transfer the property many years ago. Mr. Yee stated that there was now a new director at the Port, and would encourage staff to negotiate with the new director.

Executive Director Rosen stated that she met with the Port director just the day before to discuss the proposed contract, and the Port was desirous of the Agency fulfilling its commitment to complete the improvements using the Agency's financing mechanism of tax increment financing, which the Port did not have. Ms. Rosen stated that the Agency Commission had approved the scope of work and budget for the Phase II improvements as part of the prior year's budget and that she had reviewed the matter with the current Port director who was in agreement with the Agency proceeding to complete the committed work before returning the properties.

Commissioner Yee thanked Executive Director Rosen for the update, and stated that he was not aware of all the facts until the Ms. Rosen presented them, and that was why he had doubts.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, TO ADOPT ITEM 4 (f) RESOLUTION NO. 16-2006, AUTHORIZING EXECUTION OF A PERSONAL SERVICES CONTRACT WITH TOM ELIOT FISCH, A CALIFORNIA CORPORATION, TO PROVIDE ARCHITECTURAL AND ENGINEERING SERVICES FOR PHASE TWO IMPROVEMENTS TO SOUTH BEACH PARK AND HARBOR AND PIER 40 IN AN AMOUNT NOT TO EXCEED \$258,662, PLUS A CONTINGENCY OF \$25,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$283,662; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

AND THE FOLLOWING WERE ABSENT:

Ms. Breed

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, TWO (2) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 16-2006 WAS ADOPTED.

- 4 (g) Resolution No. 17-2006, Authorizing a First Amendment to the Maintenance and Management Agreement with the Port of San Francisco for the provision of maintenance and management services for Rincon Park to extend the term to June 30, 2007; and approving an operating budgets for the extended contract year in an amount not to exceed \$285,000 for a total aggregate amount not to exceed \$1,337,514; Rincon Point-South Beach Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Commissioner Covington asked what the annual payment was from the GAP over the 10-year period. Ms. Covington asked why Rincon Park was not under the jurisdiction of the City's Recreation and Parks Department.

Ms. Amy Neches, Senior Project Manager, stated that the Gap was obligated to make annual payments of \$100,000 a year for 10 years, which was one million dollars over a 10-year period. The payments started when the park opened in February 2000, so the arrangement was entering its fourth year. Ms. Neches stated that Rincon Park was on Port-owned property, and generally, Port property did not fall under the City's Recreation and Parks Department, like Pier 39 or Herring Head Park, or the small park next to Mission Rock. Ms. Neches stated that the decision was made in 1995 that the Agency would lease the park and manage it, with the Gap being responsible for all the costs of designing and constructing the park, pursuant to both Port and Agency Commission approvals of the design, and the Agency took on the responsibility of managing the park.

Commissioner Covington asked if the Agency had the responsibility in perpetuity.

Ms. Neches stated that the Agency had a 65-year lease with the Port, and as part of the discussions that Agency staff had with the Port, discussions had already begun on the transition issues, that the Agency would not be in a position to manage the park forever, and the Agency could only receive a certain amount of tax increment monies for a certain period of time from the City, and the Agency expected to hit the tax increment limit soon. Ms. Neches stated that the Port did not have access to either tax increment nor general fund monies, because the Port is an enterprise agency that must support itself. Since the Port was already operating in a deficit, it was not anxious to see the Agency return the property right now. Ms. Neches stated that the Agency had access to tax increment for at least one more year, and since the Agency had the obligation, staff thought it was appropriate to enter into a short-term renewal of the maintenance and management agreement. Ms. Neches stated that Agency staff would use the next year to start planning an orderly transition of the property.

Commissioner Covington stated she knew that Ms. Neches was not responsible for institutional memory, but asked if she could explain how the GAP decided to build a park, pay the upfront costs and maintenance for the first 10 years, and then the Agency was responsible for the next 65 years.

Ms. Neches stated the requirement that the Gap build the park was an exaction to provide a public benefit in partial exchange for their right to build their headquarters building, and in addition, they paid fair market value for the land. The park was part of the package of public benefits expected to accrue, and the Gap was also required to pay for the development of the park. Ms. Neches stated that she was part of the team that negotiated the design of the park, and the park cost about \$5 million excluding the sculpture, which was a separate gift from the Donald and Doris Fisher Foundation to the City. Ms. Neches stated she believed that the expectation was that because the Gap headquarters building was a very expensive office building that would generate an enormous amount of property taxes, with incremental taxes that would accrue at the present time, to the Agency and eventually to the City, that it was reasonable for the City, through the Agency, to take on the ongoing operations and maintenance. The Gap was particularly concerned with security, and agreed to help pay for some of the maintenance costs for some period of time. Ms. Neches stated that the expectation was that in the long term, since the City would get so much incremental taxes, that the City through the Agency, would take on the obligation of maintaining the park. From the Port's point of view, the park was seen as a revenue-producing property, and as an enterprise agency, they were required to balance their revenues and expenses. In exchange for the Port giving up the property as parkland, which meant giving up the land's revenue producing potential, the agreement was twofold: first, the Port would not be responsible for the financial burden of operating the park, and second, there would be two small restaurants built within the park, which would be Port tenants, so that the Port would eventually get revenue to compensate them for the loss of all the waterfront property, which might otherwise have been income-producing property for the Port. Ms. Neches stated this was an agreement to somewhat balance out the concerns of the Port, get the public benefit of a new park for the City, have the City through the Agency, take on some of the responsibility of maintaining the park through the additional taxes generated from this major downtown office development. Ms. Neches stated that to put everything in context, in 1995, the City's real estate economy and economy in general, were not in good shape, and the ability to get a Fortune 500 company to make that kind of investment and build a headquarters building, was considered to be very desirable, which was also part of the negotiations.

Commissioner Covington thanked Ms. Neches for the background information. Ms. Covington noted that the current agreement expired on February 6, 2006, and asked why the matter was brought to the Commission at a late date.

Executive Director Rosen stated that Agency staff had been working very closely with the Port, and the Port needed to reconcile its accounting to see how much savings there would be if the agreement could be extended. Ms. Rosen stated that Agency staff had been working diligently with the Port staff and this was the best schedule that could be brought to the Commission. Ms. Rosen apologized to the Commission and stated staff believed that in the interest of trying to maximize the resources to make sure that the park was maintained for the longest period of time with the least amount of additional dollars from the Agency, the Agency needed to work with the Port. She believed that there was a successful outcome because the savings identified from prior payments made would enable the Agency to extend the contract to the end of current fiscal year without any additional Agency funds, and Port and Agency staff also realized some economies that were not predicted when the Agency first entered into the original contract. Ms. Rosen stated she wanted to thank Port Deputy Director Tina Olson for working very hard with Agency staff on the matter.

Commissioner Covington stated she would like to see an outline of the amount of monies provided to the Port for particular projects from the Agency.

Executive Director Rosen stated she would be happy to provide the information to the Commission, and that the Commission would see some that described in context with the Agency's proposed budget for fiscal year 2006-2007, and staff would provide supplementary materials to the Commission.

At this time, approximately 6:20 p.m., Commissioner Covington departed the meeting.

President Peterson requested a report on the ongoing relationships with the Port in order to provide an overview for the Commission, in an informational memorandum.

Executive Director Rosen stated she would be happy to provide the report to the Commission.

Commissioner Romero stated that he wanted to compliment Commissioner Covington on her instincts about the project, however, he recalled that the park was a big public benefit as part of the development of the Gap headquarters building. Mr. Romero stated that the matter before the Commission was simply what the Agency had committed to do several

years ago, and this was just the ongoing payments for the maintenance of the park, which was part of the original agreement. Mr. Romero stated he felt uncomfortable questioning whether the Agency should back out from that part of the agreement. Mr. Romero put forth a motion to adopt item 4 (g).

Commissioner Yee stated he recalled other matters that had been brought to the Commission at the last minute, and that in his view, it was very bad practice for staff to take for granted that the Commission would just rubber-stamp and approve the matter.

Commissioner King stated that everyone seemed to forget the way the Giants ballpark was developed with the Agency issuing bonds and after construction, the ballpark was returned back to the Port, and the harbor and park should have been transferred back to the Port at that time. Mr. King requested verification that the Agency issued bonds for the Giants ballpark, and that the Agency was required to transfer the property back to the Port.

Executive Director Rosen affirmed that the Agency issued bonds for the ballpark, and stated that the Port owned the land where the ballpark was built and the Giants leases it from the Port. The Agency financed the infrastructure and street improvements around the ballpark and did not finance the construction of the ballpark itself. Ms. Rosen stated that the ballpark was already on Port property, so there was nothing to give back to the Port.

Commissioner King stated he disagreed because the Agency did issue the bonds for the development of the ballpark.

Executive Director Rosen reiterated that the Agency issued bonds for the public improvements surrounding the ballpark, which was on Port land that the Giants lease from the Port. Ms. Rosen stated that the land was within the Rincon Point – South Beach Redevelopment Project Area, but the land was not owned by the Agency.

Commissioner King stated that he would like to get the minutes of the meeting when the Commission approved the issuance of the bonds for the ballpark. Mr. King stated that he would vote against the item because the Executive Director was incorrect and he had the tapes of the meeting when the bonds were issued. Mr. King stated he would review the meeting tapes and review the transition of the ballpark and Rincon Park to the Port.

Commissioner Singh requested verification that the agreement was being extended for only one year.

Executive Director Rosen stated that the agreement was being extended for a little over a year because it would be extended until June 30, 2006 and an additional year thereafter. This was at the request of the Port, and the Agency had the obligation to maintain the park.

Commissioner Singh stated that he was not in favor of extending the agreement for too many years, but for one year, he would agree and support the extension. Mr. Singh seconded Commissioner Romero's motion to adopt item 4 (g).

Commissioner Yee stated he wanted to be on record that in the future, he would oppose any contract that had expired and brought to the Commission at the last minute. Mr. Yee stated he wanted to make sure that the Executive Director and staff understood that he would never rubber-stamp any matters that come before the Commission.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, TO ADOPT ITEM 4 (g) RESOLUTION NO. 17-2006, AUTHORIZING A FIRST AMENDMENT TO THE MAINTENANCE AND MANAGEMENT AGREEMENT WITH THE PORT OF SAN FRANCISCO FOR THE PROVISION OF MAINTENANCE AND MANAGEMENT SERVICES FOR RINCON PARK TO EXTEND THE TERM TO JUNE 30, 2007; AND APPROVING AN OPERATING BUDGETS FOR THE EXTENDED CONTRACT YEAR IN AN AMOUNT NOT TO EXCEED \$285,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,337,514; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING WERE ABSENT:

Ms. Breed
Ms. Covington

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, ONE (1) NAY, AND TWO (2) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 17-2006 WAS ADOPTED.

- 4 (h)** Resolution No. 18-2006, Approving a panel of outside legal counsel for public finance/bond counsel for three years and authorizing legal services contracts with panel members on an as-needed basis

Presenters: Penny Nakatsu (Agency staff)

Commissioner Romero thanked Ms. Penny Nakatsu for her presentation and also thanked the law firms for coming to the meeting. Mr. Romero stated he believed that this was the third time the Agency had considered the bond counsel panel since he came to the Commission, and recalled that there had been a fair amount of controversy in the past, mainly due to Commissioners' concerns that the panel be diversified and not just be large, but small firms as well. Mr. Romero stated that in looking at the staff memorandum, it was very clear that Agency staff had been very responsive to the Commission's concerns about achieving the goal of diversity, and in addition, he was very impressed by the actual utilization of the firms on the panel over the past three years, which showed that the Agency had spread the work around equitably. Mr. Romero stated that one of the other concerns expressed before was why the Agency did not do the work in-house through its Legal Division, but the highly specialized practice of public finance required the Agency to have lawyers with such expertise that the Agency could engage, sometimes on short notice. Mr. Romero put forth a motion to adopt item 4 (h).

Commissioner King asked how many lawyers there were on Agency staff.

Executive Director Rosen stated that there are five lawyers on Agency staff, including the Agency General Counsel.

Commissioner Yee stated he was sure that all 10 firms were well-qualified to do job because staff had conducted a careful review of the firms on the proposed panel. Mr. Yee requested verification that four of the 10 firms met the Agency's standard for small business enterprise (SBE) firms, and that the other six firms did not.

Executive Director Rosen affirmed that four of the 10 firms qualified under the SBE program, and the other six are larger firms than the standards of a small business enterprise.

Commissioner Yee stated he read in the memorandum that within a three-year period, the firm of Jones Hall together with other firms, had done work on \$600 million worth of bonds, and that he knew that the lawyers' fees were part of the cost of bond transactions and were paid through the bond proceeds. Mr. Yee asked what the lawyers' fees amounted to for the \$600 million.

Ms. Penny Nakatsu, Deputy General Counsel, stated that over the past three years, the previous panel's fees were approximately \$1.7 million, and of that amount, approximately one-third were fees paid to SBE law firms, which was commensurate with their representation on the panel. Ms. Nakatsu stated that the amounts listed on the exhibit provided to the Commission were the amounts of the bond issuances, and not the amount of fees paid.

Commissioner Yee stated he understood that the fees were built in the amount of the bond issuance, but his question was what would be the fee for \$600 million worth of bonds.

Ms. Nakatsu stated that as a general rule, all costs of bond issuance should not be more than about two percent of the total bond transaction, and that would include all other fees associated with the bond transaction, not just lawyers' fees.

Commissioner Yee stated that two percent of \$600 million was a lot of money.

Executive Director Rosen stated that was the cost of all issuance and not just lawyers' fees. Ms. Rosen stated that staff could provide the Commission with the information, but the fee was a negotiated fee dependent on the complexity of the transaction.

Commissioner Yee stated he read the names of the 10 firms and recognized many of them, and although there were Asian-American firms, he did not see Indian-American or African-American firms.

Ms. Nakatsu stated she believed it was true that there were no Indian-American firms listed, but three of the four SBE firms are minority-owned by African-American men or African-American men and women.

Commissioner Yee stated he would certainly like to see the amount of fees paid to the law firms.

Commissioner Singh asked why the panel was for three years instead of one year, where the panel could then be extended.

Executive Director Rosen stated that the letting of contracts was a very time-consuming process both for the Agency and for the firms to be on the panel. Ms. Rosen stated it was desirable to have a panel in place so that as financing opportunities come up, the Agency would not have to do separate procurements, which take many months to do and would be costly, and there were a limited number of firms that meet the qualifications. Ms. Rosen stated there was some concern that if the panel was to be authorized every year, it might be a disincentive, especially for the smaller firms, because it was time-consuming and expensive for them to respond to Request for Proposals. Ms. Rosen stated that staff believed this was the fairest way to get the word out widely, to get the interested firms to submit, and to ensure diversity of the firms on the panel.

Commissioner Singh asked if the Commission could review the panel every year.

Executive Director Rosen stated that staff could provide a report to the Commission every year, or the Commission could review the panel every year.

At this time, approximately 6:49 p.m., Commissioner Covington returned to the meeting.

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (h).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, TO ADOPT ITEM 4 (h) RESOLUTION NO. 18-2006, APPROVING A PANEL OF OUTSIDE LEGAL COUNSEL FOR PUBLIC FINANCE/BOND COUNSEL FOR THREE YEARS AND AUTHORIZING LEGAL SERVICES CONTRACTS WITH PANEL MEMBERS ON AN AS-NEEDED BASIS, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING ABSTAINED:

Ms. Covington

AND THE FOLLOWING WERE ABSENT:

Ms. Breed

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, ONE (1) NAY, ONE (1) ABSTENSION, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 18-2006 WAS ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Dan Dodt

7. **REPORT OF THE PRESIDENT**

- President Peterson stated as he mentioned earlier, he was excited that Commissioner Covington had expressed interest in having a series of workshops to be held at future Commission meetings. Mr. Peterson stated he appreciated her spirit and enthusiasm to help organize the workshops and to hear all of the Commissioners' concerns and ideas for items to be discussed, and looked forward to working with her and scheduling the workshops.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen stated she wanted to acknowledge the events happening as part of the Black History Month. Ms. Rosen stated that she saw Commissioners King and Yee at Mayor Newsom's event in City Hall on February 3rd, which was one of the best celebrations there had been. Ms. Rosen stated that there was also an event convened by Commissioner Breed and the African-American Art and Culture Complex on February 1st, and the Agency had its own celebration with the recognition of Mrs. Mary Rogers.

- Executive Director Rosen wished everyone a Happy Chinese New Year.
- The Comments and Responses document for the Bayview Hunters Point Environmental Impact Report (EIR) was just published earlier in the day, and copies would be delivered to the Commissioners the next day to provide adequate time for review before the Commission considers certification of the Final EIR, scheduled at the February 21st Commission meeting. Ms. Rosen stated that the Planning Commission was scheduled to consider certification of the Final EIR following the Agency's certification, and then the full plan amendment would be before the Commission. Ms. Rosen stated that Agency staff was working closely with the Mayor's Office, Supervisor Maxwell's Office and the PAC to get the plan amendment before the Board of Supervisors before they begin their budget deliberations.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee referred to the San Francisco Chronicle article about the Board of Supervisors consideration to limit parking spaces in new buildings in the downtown area, and asked if this would have any impact on the Agency's future projects.

Executive Director Rosen stated that as Commissioners would recall, the Agency had several project or survey areas within the C-3 or Downtown Zoning District, which the proposed legislation could affect. Ms. Rosen stated that the Transbay Redevelopment Project Area had some portions within the C-3 district, and the Agency had the responsibility to develop public lands within Zone One of the project area. Ms. Rosen stated that the Mid-Market Redevelopment Project Area, which was approved by the Commission and pending at the Board of Supervisors, proposes to use the Planning Code with a Special Use District, which itself had limitations on parking different from the rest of the C-3 district, and potentially, if the legislation were passed, it could potentially affect Mid-Market. Ms. Rosen stated that Mission Bay, Hunters Point Shipyard, Rincon Point – South Beach and the Western Addition, would not be affected at all.

- Commissioner Yee stated he also read an article about the Bloomingdale's development, and asked if the Agency provided a \$27 million subsidy to Forest City.

Executive Director Rosen stated that as the Commission would recall, back in the 90's, the original plan for the Bloomingdale's development included a hotel tower and there was an approved financing plan for a loan of tax increment to Forest City. However, the Commission amended the plan, taking out the authority for the hotel and canceling the financial commitments that had been part of the original transaction, so there was no financial commitment by the Agency for that development at all.

- Commissioner Yee requested an update on the Plaza Apartments project and asked if the development was behind schedule.

Executive Director Rosen stated that staff was working very closely with the Mayor's Office to schedule the grand-opening sometime at the end of February or early March. Ms. Rosen stated that as she reported at the last Commission meeting, the Plaza Apartments project was complete and 100% occupied, with all residents moved-in and support services in place. The contractor was completing work on the outdoor area and landscaping for the courtyard area. Ms. Rosen stated that the key date for the grand-opening was Mayor Newsom's schedule.

- Commissioner Yee stated that the Commission just approved the panel for finance/bond counsel, and he and President Peterson noticed that one of the lawyers was falling asleep during the discussion and he (the lawyer) was not wearing a necktie. Mr. Yee asked if people were made aware of the proper dress code at Commission meetings.

Executive Director Rosen stated she was not aware of the situation, so she could not speak as to the state of mind of the person.

- President Peterson stated that when he pointed out the gentleman to Commissioner Yee, he (Mr. Peterson) was curious of the judgment for someone who wanted to get legal business from the Agency not wearing a necktie and falling asleep. Mr. Peterson stated he gave the person the benefit of a doubt.
- Commissioner Yee requested staff to inform people coming before the Commission to use common sense and dress appropriately.

Executive Director Rosen assured that the Commission's concerns would be communicated to the appropriate people.

- Commissioner Yee stated he recalled that last year, the Commission agreed and voted to have a retreat, and if the retreat was being cancelled or postponed, there should be consensus from the Commissioners on the change of decision. Mr. Yee stated that the retreat was brought up earlier in the Agenda on a totally unrelated matter, which was not appropriate. Mr. Yee stated he would caution his fellow Commissioners to follow and observe Robert's Rules of Order, and that when he called for a point of order, he did not mean to be disrespectful to his fellow Commissioners, and was just following proper parliamentary procedures.

- Commissioner King stated he voted against most of the agenda items because he thought that the Commission had agreed to hold a retreat, and then the President stated that the Commissioners had agreed to not hold a retreat. Mr. King stated that the President, on his own, appointed Commissioner Covington to organize some workshops without the consensus of the other Commissioners, but the other Commissioners should have input as to whether there should be workshops or a retreat. Mr. King stated that he would challenge the President's decision to cancel the retreat and hold workshops instead. Mr. King stated that a retreat would be good for all Commissioners to determine what they wanted to do as well as to get to know each other better.
- Commissioner Covington stated the issues about the retreat that had been brought out were amazing, because she thought that when she suggested the retreat last year, it would provide an opportunity for all the Commissioners to get together and come to some common ground on some very important issues that the Agency faced. Ms. Covington stated that the retreat seemed to be more divisive than she had anticipated. Ms. Covington asked the Commission Secretary if there was a formal vote by the Commission when the retreat was first proposed.

Commission Secretary Erwin Tanjuaquio stated he did not believe there was a formal vote by the Commission to hold a retreat, rather there was a consensus of the Commissioners present at the time the retreat was proposed.

- Commissioner Covington stated that the idea of the workshops came about because it had taken so long to schedule a retreat, and she understood that the hold-up was the Mayor's schedule. Ms. Covington asked if there was still an effort to get on the Mayor's calendar so he could attend the retreat, and if not, the schedule should be expedited. Ms. Covington stated she did not think it was an "either/or" matter and thought that the workshops would be in the interim, until the retreat was scheduled and held.
- Commissioner Romero stated he wanted to be on record about the retreat and the workshops, and recalled that in his eight years on the Commission, there had been two retreats, one where all of the Commissioners were in attendance, and it was a nice retreat with a good facilitator, Ms. Aileen Hernandez. Mr. Romero stated it was a nice day and there was opportunity for the Commissioners to get to know each other, and after the retreat, when the Commissioners went back to do its Commission work, the retreat made not one bit of difference. Mr. Romero stated that the next retreat was a few years after that, and the Commission was very divided then, and three Commissioners did not

show up at that retreat. Mr. Romero stated that for the planned retreat, he would be happy to attend any retreat or workshop that would help the Commission do its work better, but he did not believe that the retreat should be that big of a deal. Mr. Romero stated that if the consensus of the Commission was to hold a retreat, he would be happy to attend and participate cooperatively, but that he would say especially to the new Commissioners, that the retreat would not make that much difference because each of the Commissioners are strong individuals, and he did not see himself changing, nor did he expect the other Commissioners changing as a result of the retreat. Mr. Romero stated he thought that the Commission had been working together a lot better than it had in many years, and if Commissioner King wanted to have a retreat, he would be happy to attend. Mr. Romero stated that the Commission should keep the retreat in perspective and acknowledge that the Commission could only accomplish so much in that retreat, and all he wanted was for the Commissioners to work better together.

- Commissioner Singh stated he understood that there would be a retreat, but not right away, and it would be alright to have workshops in the meantime. Mr. Singh stated it would be nice for the Commissioners to spend time together at a retreat.
- Commissioner Yee stated he recalled that at the December 20, 2005 meeting, the matter regarding Arc Ecology was voted down with a tie vote of the Commission. Mr. Yee stated that he spoke with the General Counsel after that meeting and was informed that the matter would be calendared at the next meeting, and that could be done by the President, Vice-President and Executive Director when they had agenda-setting. Mr. Yee stated he informed the General Counsel that he (Mr. Yee) was not sure if the General Counsel was correct in his opinion. Mr. Yee asked what was happening to the Arc Ecology matter.

Executive Director Rosen stated that the Hunters Point Shipyard CAC asked for there to be further discussion on the matter prior to bringing it back to the Commission, and she would be speaking with the Project Manager to get a status report on that matter.

- Commissioner Yee stated that it was not his intent to kill the project, only to postpone consideration for a couple of weeks so that additional evidence could be presented to the Commission, but as everyone would recall, there was a tie vote and that essentially killed the matter. Mr. Yee stated he was against putting the matter back for reconsideration unless there was a citation from Robert's Rules of Order that states otherwise. Mr. Yee stated that as he indicated at the previous Commission meeting, he was not against Arc Ecology, but against the manner in which the matter was presented to the Commission.

- Commissioner Romero stated he wanted to add one more point about the retreat, that the Mayor did not attend either retreats, so he did not know why Mayor Newsom had to attend the retreat, because the goal of the retreat was for the Commissioners to talk about how they would work together, and the Mayor did not have to be involved in that discussion.
- President Peterson stated he wanted to remind the Commissioners that there was actually a retreat date, but one Commissioner wanted the Mayor to attend, but the Mayor was not available, so the retreat date was called off. Subsequent to that, Commissioner Covington had a period of time being away from the Commission, and it was not appropriate to hold a retreat during that time. Mr. Peterson stated that in talking with other Commissioners, they felt that it was not appropriate to have a full-day retreat at the present time. Mr. Peterson stated he then spoke to each of the Commissioners during the holiday season and everyone agreed that it was not appropriate to have a retreat at the present time, but that Commissioner King did not let him know that he felt otherwise and wanted to have a retreat. Mr. Peterson stated that recently, Commissioner Covington expressed the idea of a series of workshops during the Commission meetings, which would help educate the Commissioners on different items of interest. Mr. Peterson stated he would be happy to have a retreat, and before the next Commission meeting, he would have Mr. Tanjuaquio canvass the Commissioners on potential dates that would work for the retreat, whether the Mayor could attend or not. Mr. Peterson asked Mr. Tanjuaquio to call him the next day to discuss potential dates for the retreat.
- General Counsel Morales stated he would recommend that when a date for the retreat was established, that it be brought back to the Commission and there to be a formal vote taken to hold the retreat on a specific date, and that way, there would be no questions about the schedule.
- President Peterson asked if the matter should be placed on the calendar. Mr. Morales stated that yes; the matter should be placed on the calendar.
- Commissioner King stated he disagreed with Commissioner Romero because Mayor Willie Brown did attend one of the Commission retreats. Mr. King stated he wanted to be on record as favoring a Commission retreat. Mr. King inquired about scheduling a meeting of the Working Group.

Executive Director Rosen stated as she and Commissioner King had discussed, Deputy Executive Director Ayisha Benham was putting together a report for the data on the experience under the Small Business Enterprise and the Agency's Interim Purchasing Policy, which Commissioner King

wanted prior to scheduling the meeting with the Working Group. Ms. Rosen stated that as soon as the report was completed, she would call Commissioner King to discuss possible dates for the Working Group meeting.

- Commissioner Covington stated she had received a number of telephone calls from people who were requesting information about housing in the new Yoshi's complex, and how the application process was going to be arranged, and ask the Executive Director to provide information.

Executive Director Rosen stated that generally speaking, staff worked very closely with the developer as the Agency had to approve their marketing plan, and usually, that process gets established about six months prior to the completion of construction, which would probably be about one year from now. Ms. Rosen stated that the Agency did get an inquiry from a member of the public and had asked Deputy Director Olson Lee to speak with Michael Johnson and coordinate with him. Ms. Rosen stated that in addition, the Agency would start keeping the names of interested people to make sure that they would be mailed all opportunities and notices, as well as all certificate holders who would get first notice. Ms. Rosen informed that Mr. Olson Lee's telephone number at the office is 749-2479 and his e-mail address is Olson.Lee@sfgov.org.

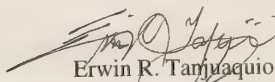
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.9(c): Conference with Legal Counsel regarding initiation of litigation: one potential case.

11. ADJOURNMENT

It was moved by King, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:25 p.m.

Respectfully submitted,



Erwin R. Tamjaquico
Agency Secretary

APPROVED:

February 21, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
21ST DAY OF FEBRUARY 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 21st day of February 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of February 7, 2006

- 4 (b) Resolution No. 19-2006, Authorizing a Third Amendment to the Personal Services Contract with Costless Maintenance Services Co., Inc., a California corporation, to extend the term through June 30, 2006 and to increase the monthly compensation from \$2,371 to \$6,122 upon occupancy of the Harbor Services Building, for an aggregate contract amount not to exceed \$92,000 for janitorial services at South Beach Harbor; Rincon Point-South Beach Redevelopment Project Area
- 4 (c) Resolution No. 20-2006, Authorizing a First Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, to: (1) extend the term through June 30, 2006; (2) increase the compensation rates; and, (3) revise the total aggregate contract amount to an amount not to exceed \$235,000 for security guard services at South Beach Harbor and Park; Rincon Point-South Beach Redevelopment Project Area

Commissioner Yee asked if there were representatives from Costless Maintenance Services and McCoy's Patrol Service.

Representatives from Costless Maintenance Services and McCoy's Patrol Service introduced themselves to the Commission.

Commissioner Yee put forth a motion to adopt the Consent Agenda items. Commissioner King seconded the motion.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF FEBRUARY 7, 2006, 4 (b) RESOLUTION NO. 19-2006, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH COSTLESS MAINTENANCE SERVICES CO., INC., A CALIFORNIA CORPORATION, TO EXTEND THE TERM THROUGH JUNE 30, 2006 AND TO INCREASE THE MONTHLY COMPENSATION FROM \$2,371 TO \$6,122 UPON OCCUPANCY OF THE HARBOR SERVICES BUILDING, FOR AN AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$92,000 FOR JANITORIAL SERVICES AT SOUTH BEACH HARBOR; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, AND 4 (c) RESOLUTION NO. 20-2006, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, TO: (1) EXTEND THE TERM THROUGH JUNE 30, 2006; (2) INCREASE THE COMPENSATION RATES; AND, (3) REVISE THE TOTAL AGGREGATE CONTRACT AMOUNT TO AN AMOUNT NOT TO EXCEED \$235,000 FOR SECURITY GUARD SERVICES AT SOUTH BEACH HARBOR AND PARK; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (d)** Resolution No. 21-2006, Certifying a Final Environmental Impact Report for the Bayview Hunters Point redevelopment project and zoning; Bayview Hunters Point Survey Area

Presenters: Tom Evans (Agency staff)

Speakers: Dr. Ahimsa Sumchai, Charlie Walker, Espanola Jackson, Francisco Da Costa, Ms. Kevyn Lutton, Ace Washington, Ms. Jaron Browne, Angelo King, Patricia Wright, Michael Hamman, Oscar James, Willie Ratcliff

Commissioner Yee stated he would respectfully request the public to pay attention and not speak out of turn in order to not distract Commissioners. Mr. Yee referred to the public's testimony that they received notices to the Agency Commission's meeting just the day before, and asked how the public was notified.

Mr. Tom Evans, Lead Planner, stated that notices were mailed to residents and property owners in the Bayview Hunters Point on February 2nd notifying them of the March 7th Commission meeting to consider adoption of the proposed redevelopment plan amendment. Mr. Evans stated that the matter before the Commission was the certification of the Bayview Hunters Point Environmental Impact Report (EIR) that would allow the Commission to take action on the redevelopment plan amendment at its March 7th meeting. Mr. Evans stated that there was not a specific notice for the February 21st Commission meeting on the certification of the EIR, that the matter was regularly noticed as part of the notice for the February 21st meeting. However, the Draft EIR was originally noticed in 2004 when the Agency went above and beyond the California Environmental Quality Act (CEQA) noticing requirements by mailing notice to every address in the 94124 zip code as well as addresses within a 300-foot radius of the proposed project area.

Commissioner Yee asked if there were other communications to the residents other than the mailed notices and asked if the notices were posted in the proposed project area.

Mr. Evans stated that the notice of the Draft EIR was posted on approximately 50 locations within the neighborhood and also noticed through the Project Area Committee (PAC) meetings.

Commissioner Yee stated that staff had heard the public's concerns about the late notice of the meeting and urged staff to work diligently to communicate with the Bayview community. Mr. Yee asked if the Agency was involved with the rezoning efforts of the Planning Department.

Mr. Evans stated that unlike other redevelopment plans where the Agency established its own land use controls, the proposed redevelopment plan for the Bayview Hunters Point proposes to use the City's Planning Code as the land use controls. Any Planning Code amendments would be considered by the Planning Commission and the Board of Supervisors, with input from the Redevelopment Agency through the continued working relationship on the planning for Bayview.

Commissioner Yee stated he heard a member of the public state that there had been over 1,000 meetings on the Bayview redevelopment plan amendment and asked if that was not an exaggeration.

Mr. Evans stated that would be a bit of an exaggeration.

Executive Director Rosen stated she believed that the member of the public was referring to the number of meetings that the Bayview PAC had convened over a period of nine years since the PAC was constituted in 1997. Ms. Rosen stated that the PAC had four sub-committees plus the full PAC, all of which held public meetings that were noticed and posted. Ms. Rosen stated she believed that the speaker was speaking about the meetings held over the past nine years and not the past year.

Commissioner Yee stated that he had heard the public and put forth a motion to continue the matter until the March 7th Commission meeting.

Commissioner Romero asked what the impact would be on delaying the matter for two weeks, and if it mattered if the EIR was certified by the Agency Commission after the Planning Commission.

Executive Director Rosen stated that the matter before the Commission was the certification of the EIR and not on the proposed redevelopment plan amendment, which was scheduled and publicly noticed for the March 7th Commission meeting. Ms. Rosen stated that before action could be taken on the proposed redevelopment plan amendment, the EIR would have to be certified, however the Commission could consider the certification of the EIR at the same meeting on March 7th. Ms. Rosen stated that the Planning Commission was scheduled to consider certification of the EIR on February 23rd, and both Commissions would need to certify the EIR prior to the Redevelopment Agency Commission taking action.

Mr. Evans stated that the sequence of actions would be that before the Agency Commission could take action on the proposed redevelopment plan amendment, the Planning Commission would have to make a finding that the proposed redevelopment plan amendment was consistent with the City's General Plan. The Planning Commission would also have to update the South Bayshore Neighborhood Plan that was written in 1995. Mr. Evans stated that the Planning Commission action on the update would require a certified EIR.

Commissioner Romero asked if the Agency Commission did not take action on the EIR, what effect that would have on the schedule of the other actions.

Mr. Evans stated that the Planning Commission could take action on the EIR, but would have to delay action on the proposed amendments to the City's General Plan and the finding of consistency with the General Plan until the Redevelopment Agency Commission certified the EIR. Mr. Evans stated he believed that if the Agency Commission did not take action on the EIR, the scheduled adoption of the proposed redevelopment plan amendment would be delayed at least for two weeks.

Commissioner Romero stated that it was common at the Commission meetings to hear from members of the public that they had not heard anything about whatever was being considered by the Commission, and although he wanted to be sensitive to the public about their concerns, there were also other citizens who had worked very hard for many years on the proposed Bayview plan amendment. In addition, the Commission had been accused of not moving expeditiously enough on the planning for Bayview. Mr. Romero stated that members of the PAC had worked tirelessly for many years on the plan amendment, and he wanted to recognize their dedication and hard work and to follow their suggestion to move forward with the proposed plan amendment. Mr. Romero stated that he was prepared to move forward with the certification of the EIR and if the motion to continue the matter failed, he would put forth a motion to certify the EIR.

Commissioner Breed asked why there was no public hearing on the certification of the EIR before it came before the Agency Commission.

Mr. Evans stated that the CEQA process required a public hearing when a Draft EIR was published and a public hearing was conducted on the Draft EIR in 2004.

Executive Director Rosen stated that for clarification, the public hearing held was for the Draft EIR, followed by a period of time where comments were received, and a Comments and Responses document was prepared to respond to every comment received either at the public hearings held at the Agency Commission or the Planning Commission as well as written

comments. Ms. Rosen stated that, technically, the Final EIR consisted of the Draft EIR and the Comments and Responses document, and the question before the Commission was if the EIR was adequate and had responded to all of the public comments. Ms. Rosen stated she believed that what Mr. Evans had previously referred to was the public hearing for the proposed redevelopment plan amendment and related documents, notice of which was mailed 30 days in advance of the scheduled March 7th Commission meeting to consider adoption of the proposed redevelopment plan amendment and related documents, which were not before the Commission at the present time.

Commissioner Breed asked how Supervisor Maxwell's office was involved in the Bayview planning, and if they had responded to the Draft EIR and what her comments were.

Mr. Evans stated that Supervisor Maxwell sent a letter providing her comments on the Draft EIR, which was included in the Comments and Responses document.

Executive Director Rosen stated that Supervisor Maxwell supported the proposed redevelopment plan amendment, including the proposed change in the project area boundaries around the shoreline area. Ms. Rosen stated that Supervisor Maxwell introduced legislation to impose interim controls along the India Basin shoreline to limit development while additional planning for the area was ongoing.

Commissioner Breed stated she understood that there had been numerous PAC meetings, but there was a serious problem of communicating with members of the Bayview community about the planning process and the Agency should make sure that people are clear with what was going on and at every stage of the process. Ms. Breed stated it seemed that there had not been clear communication on what impact the proposed redevelopment plan amendment would have in the community. Ms. Breed stated she thought that there was a need to have a public hearing in the community specifically on the EIR, to address the concerns of the community and presented in a form that was clear and precise so that everyone understood what the process was. Ms. Breed stated that the Commission was hearing conflicting things from members of the PAC and the community about the redevelopment plan amendment and was difficult to make a decision solely based upon the documents provided to the Commission. Ms. Breed stated that as a native of the Western Addition she had seen what redevelopment had done to her community, and she was extremely concerned that throughout the duration of the planning process, the Agency would encounter tremendous problems. Ms. Breed stated that from the standpoint of the Agency, there should be a better attitude in dealing with the community, and the Agency must continue to be very clear with the process

and that all documentation must be clear and concise. Ms. Breed stated that people could not be forced to attend meetings nor do things that they did not want to do. Ms. Breed stated that it was important for the Commission to hear from everyone so that the Commission could make the most informed decisions about the planning for the Bayview. Ms. Breed stated she was not completely comfortable with delaying the matter, but would await her fellow Commissioners thoughts on the matter.

Commissioner Covington stated she would second Commissioner Yee's motion to continue the matter so that everyone would have additional time to review the document and hold hearings on the EIR, so that people can provide their comments on a very complex and intricate process. Ms. Covington stated that a lot had changed in the past nine years when the planning began and the additional time would provide people the opportunity to get up to speed and understand what was being presented, and to provide their input. Ms. Covington stated she was not asking for a long delay and for the people that had worked so diligently, she would ask them to be patient because it would be worthwhile to wait until other members of the community could hear what was being presented in full. Ms. Covington stated that the Agency should always go above and beyond the CEQA noticing requirements and it should be the Agency's standard to provide as much advance notice to the public as possible, because people had a good reason to be dissatisfied with the Agency historically. Ms. Covington stated that the stigma of redevelopment particularly in the African-American community, had not gone away and when people come to the Commission and state that they were not properly notified or informed, that meant that staff only met the letter of the law in notifying people, but had not met the spirit of the law in addressing the concerns of communities that were still suffering. Ms. Covington stated she was not saying that the Agency staff had not been diligent because they are very hard working and one can see the amount of thought and effort that they put into their work, and what the Commission was looking for was an atmosphere of acceptance on the part of everybody so that even in disagreement, people would understand each other.

Commissioner King stated the Agency Commission used to have joint meetings with the Planning Commission and asked why there could not be a joint meeting on the Bayview Hunters Point EIR.

Executive Director Rosen stated that the Agency Commission, on occasion, had joint meetings with the Planning Commission, but there had been difficulty in obtaining a quorum from both Commissions, and staff could attempt again to schedule a joint meeting.

Commissioner King stated he wanted to let the new Commissioners that there used to be joint meetings of the Planning and Redevelopment Agency Commissions, and asked if Agency Commissioners had been polled on their availability for a joint meeting with the Planning Commission.

Executive Director Rosen stated that if it was the pleasure of the Commission, she could call the Planning Director and try to schedule a joint meeting with the Planning Commission. Ms. Rosen stated that she would suggest an amendment to Commissioner Yee's motion to provide more flexibility, to continue the certification of the Bayview Hunters Point EIR until March 7th Commission meeting, unless the Executive Director could schedule a joint meeting with the Planning Commission.

Commissioner Yee stated he would modify his motion to continue to provide flexibility for a joint meeting with the Planning Commission.

Commissioner Singh stated he agreed with Commissioner Yee's motion to continue the matter until the March 7th Commission meeting.

Commissioner Covington asked if there was anything to preclude the Agency Commission President from speaking with the Planning Commission President at the same time the Executive Directors would be speaking, and if not, she would encourage President Peterson to do so.

Commissioner Breed stated she would suggest that the Bayview PAC conduct a meeting to discuss in more detail, the EIR and allow people to comment on the specifics of the EIR, so that when the Agency Commission and the Planning Commission held their meeting, people would be more informed.

President Peterson stated he agreed with Commissioner Breed's suggestion and that he was in support of continuing the matter to provide additional time for review and hopefully, garner more trust and support from the community, by providing additional notification time. Mr. Peterson stated he was inclined to vote for the certification of the EIR and thought that the Agency owed it to the people, especially the PAC and other members of the community that had worked so hard to move the process forward.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 21-2006, CERTIFYING A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AND ZONING; BAYVIEW HUNTERS POINT SURVEY AREA, BE CONTINUED TO THE MARCH 7, 2006 COMMISSION MEETING, UNLESS THE EXECUTIVE DIRECTOR COULD SCHEDULE A JOINT HEARING WITH THE PLANNING COMMISSION.

Deputy Executive Director Joanne Sakai provided an overview of the implementation plans and Deputy Executive Director Olson Lee presented the Agency's Affordable Housing Program.

Items 4 (e) and (f) were presented together and acted upon separately.

- 4 (e)** Resolution No. 22-2006, Public hearing adopting the implementation plan for the Hunters Point Redevelopment Project Area
- 4 (f)** Resolution No. 23-2006, Public hearing and adopting the implementation plan for the India Basin Industrial Park Redevelopment Project Area

Presenters: Stanley Muraoka (Agency staff)

Speakers: Espanola Jackson, Charlie Walker, Francisco Da Costa, Oscar James

Commissioner Covington referred to the housing presentation, specifically the affordable housing set-aside slide that indicated projections of a \$258 million set-aside for years 2000 to 2005, and a \$294 million set-aside for years 2006 to 2010, and asked how the \$36 million shortfall would be made up.

Deputy Executive Director Olson Lee stated that the \$258 million for years 2000 to 2005 was based upon that proportion that was placed into the housing fund and were actual transfers from various budgets. Mr. Lee stated that the \$294 million for years 2006 to 2010 was also an estimate based upon what the anticipated tax increment might be, and using the Commission's policy of using approximately 50% of the tax increment generated placed into the affordable housing fund. Mr. Lee stated that there was no shortfall reflected in these estimated numbers.

Commissioner Covington asked if assurances were given to Bayview residents that if they did not use their certificates of preferences, that their children would be able to use them.

Executive Director Rosen stated that the Commission adopted a policy whereby the children of certificate holders who resided with their parents could be certified as second-generation certificate holders, and staff could provide the informational memorandum on the policy to the Commission.

Commissioner Covington asked if the children would have had to be certified in 1968.

Executive Director Rosen stated that certifications were ongoing and in fact, she had just signed a few certificates the week prior, for adult children of certificate holders who had come forward.

Commissioner Covington requested clarification of Project Area "A" and Project Area "B" within the Bayview Hunters Point Survey Area.

Mr. Stanley Muraoka, Project Manager, stated that the existing Hunters Point Redevelopment Project Area was designated as Project Area "A" and the area known as the Bayview Hunters Point Survey Area was designated as Project Area "B" proposed to be added to the existing Hunters Point Redevelopment Project Area as part of the proposed Redevelopment Plan Amendment to the Hunters Point Redevelopment Project Area.

Commissioner Covington inquired about Shoreview Park, and asked what process Agency staff had put forth in communicating to the adjacent residents, the refurbishment of the park and specifically about the soils assessment.

Mr. Muraoka stated that staff had been working primarily with the Bayview PAC, specifically the Health and Environment committee of the PAC, and their particular concern had been any contamination associated with the park. Mr. Muraoka stated that members of the community had attended the committee meetings and provided their input and concerns.

Commissioner Covington asked if staff had leafleted the nearby residents or just relied on people attending the PAC meetings to hear about the park. Ms. Covington asked how frequent the PAC meetings were.

Mr. Muraoka stated that staff had leafleted the nearby residents in the past, but had not leafleted every PAC meeting. Mr. Muraoka stated that staff had met regularly with the Shoreview Residents Tenants Association about the park over the past five years. Mr. Muraoka stated the PAC committees met once a month. Mr. Muraoka stated that the Agency had recently hired a contractor who was a resident of the Shoreview Apartments, to start some remediation work on the park, which was to remove some deteriorated fence posts and tables. Mr. Muraoka stated that the Agency had recently purchased new tables and had completed discussions with the PAC's Health and Environment and Land Use Committees about new play equipment to be installed in the park, but as part of staff's due diligence before requesting the Commission's authorization for a contractor to install the equipment, staff was looking at the soils conditions and would go back to the PAC and the Shoreview Residents Tenants Association when the soils assessment was completed.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, THAT ITEM 4 (e) RESOLUTION NO. 22-2006, ADOPTING THE IMPLEMENTATION PLAN FOR THE HUNTERS POINT REDEVELOPMENT PROJECT AREA BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE".

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.,

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 22-2006 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, THAT ITEM 4 (f) RESOLUTION NO. 23-2006, ADOPTING THE IMPLEMENTATION PLAN FOR THE INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.,

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 23-2006 WAS ADOPTED.

- 4 (g)** Resolution No. 24-2006, Adopting the implementation plan for the Western Addition Redevelopment Project Area A-2

Presenters: Gaynell Armstrong (Agency staff)

Speakers: Arnold Townsend, Ace Washington

Commissioner Breed thanked Ms. Gaynell Armstrong for showing photographs of the Project Area. Ms. Breed inquired about the streetscape services and asked the General Counsel if the Agency Commission could still vote for streetscape services to continue even after the redevelopment plan expired.

General Counsel Morales stated that the Agency would have the obligation to fulfill any contracts it entered into, but the Agency would not be able to enter into new contracts after expiration of the redevelopment plan as the Agency would have no source of funding for such expenditures.

Ms. Gaynell Armstrong, Project Manager, stated that 2006 would be the last year the Agency would be entering into a streetscape maintenance contract because the Agency was anticipating the creation of a community benefits district, which would undertake among other things the streetscape maintenance for the area.

Commissioner Breed requested verification that the Commission could extend such contracts, if it desired, up until 2009 when the redevelopment plan was set to expire.

General Counsel Morales affirmed that the Commission could extend such contracts, if it desired, up until 2009 when the redevelopment plan was set to expire.

Commissioner Breed asked if there were design guidelines for Fillmore Street, and if the Commission had the authority to develop design guidelines for the Fillmore Street corridor, by which public and private property would have to abide by.

Executive Director Rosen stated that the Western Addition A-2 Redevelopment Plan had land use controls, but did not believe there were design guidelines, however, the Commission did approve the schematic design for the Fillmore Heritage and other newer developments along Fillmore Street. Ms. Rosen stated that for private developments, only the land use controls in the redevelopment plan would govern until 2009. Ms. Rosen stated that the Commission would have the authority to develop design guidelines, but the question would be, once the redevelopment plan terminates on January 1, 2009, the land use controls would be governed by the City's Planning Code, and any land use controls adopted by the Agency

Commission under its jurisdiction would not apply to the Planning Department.

Commissioner Breed stated she would like to have design guidelines implemented for the Fillmore Street corridor and requested staff to move forward with developing the design guidelines.

Executive Director Rosen stated that staff would look into the matter and report back with a process and a timeline for developing design guidelines for the Fillmore Street corridor.

Commissioner Breed inquired about the Gene Suttle Plaza and asked who had the responsibility for maintaining the plaza and sidewalk areas around the plaza. Ms. Breed asked what power the Agency Commission had in enforcing the maintenance services.

Ms. Armstrong stated that staff was working with Mr. Richard Szeto of Webster Towers and Safeway on the covenants, conditions and restrictions that cover the uses and maintenance of the plaza areas, but Webster Towers was responsible for the maintenance of the plaza areas.

Executive Director Rosen stated there were mutual covenants with Webster Towers and Safeway, and as Ms. Armstrong stated, staff was working with them to better understand their roles in the maintenance of the plaza areas. Also, as part of their land disposition agreement, they agreed to be part of a maintenance or improvement district should one be created, and that she was informed that the property owners had been participating in discussions about the establishment of a maintenance district, which would impose both standards and financing for ongoing and regular maintenance into the future, and staff would report back to the Commission with greater detail.

Commissioner Breed stated that her understanding was the property owner would be responsible for the maintenance and clean-up of the area and that the Agency Commission could somehow enforce that responsibility because the Agency was involved in the revitalization of the area. Ms. Breed stated she would suggest that the Agency send a clear message whether in writing or something that would be enforceable, to the property owner, because the area had been completely neglected and not maintained. Ms. Breed stated that numerous people had complained to her about the greasy pavement where people slipped, and that she had almost slipped as she frequented the plaza area. Ms. Breed stated she was disgusted with the cleanliness of the plaza, the rodents in and around the plaza areas, and the area around the plaza and the Safeway parking lot was filthy, and she was hoping that the Commission could send a strong message to the property owner that the non-maintenance and continued neglect would not be tolerated.

Mr. Armstrong stated that in addition to Safeway repaving the parking lot, they would also be redoing the landscaping in the area.

Commissioner Breed inquired about the mosaic on Central Freeway Parcel G and asked what the plans were to preserve the artwork, and urged staff to use good faith efforts to preserve the artwork if at all possible.

Ms. Armstrong stated that a developer for Central Freeway Parcel G had not yet been selected, but the preservation of the existing artwork could be part of the negotiations with the selected developer.

Commissioner Breed requested verification that the Request for Proposals for the Scott Street property was being reviewed by the Western Addition Citizens' Advisory Committee (CAC).

Executive Director Rosen stated that the CAC had heard the matter numerous times and was still deliberating and had not yet rendered their advice to the Agency staff or recommendation to the Commission on how to proceed, and staff was waiting for the CAC's further discussion on the matter.

Ms. Armstrong stated that the CAC's planning and development committee was planning to hold a special meeting related to Scott Street, and then forward its recommendation to the full CAC.

Commissioner Breed inquired about the 1300 Eddy Street development project, and stated that although it was going to be privately developed, asked what the Agency's role would be in the development. Ms. Breed requested verification that the proposed development was for market-rate housing and asked if the developer was required to provide the 15% inclusionary affordable housing.

Ms. Armstrong stated that the Agency had an Owner Participation Agreement with the developer and their development proposal was at the Department of Building Inspection and was awaiting building permits to be issued. Ms. Armstrong affirmed that the proposed development was for market-rate housing with required inclusionary affordable housing.

Executive Director Rosen stated that she would provide Commissioner Breed with the Commission memorandum related to the approval of this matter.

Commissioner Breed inquired about the Marcus Garvey and Martin Luther King housing developments because she was concerned about the Agency's involvement.

Executive Director Rosen that Mr. Olson Lee could provide more information, but Agency staff had been working with the Mayor's Office of Housing, Supervisor Mirkarimi's office and Congresswoman Pelosi's office and was providing information and assistance to the Board of Directors of the Martin Luther King and Marcus Garvey on their future development plans. At the present time, the MLK/Marcus Garvey board had not made a determination on how to proceed, and other than providing technical assistance in evaluating various development proposals, the Agency did not have a formal role with them at the present time.

Commissioner Breed inquired about the Jazz Heritage project on Fillmore, and stated that she did not know how the Agency was involved, but Reverend Edgar Boyd received a grant for employment training for the project, and asked for an update if there were people that had been trained for the project, because Ella Hill Hutch had sent 14 people to be trained for the project, and she had received complaints from other members of the community who wanted to work on the project.

Ms. Armstrong stated she thought that the training grant was for work beyond the construction jobs, and would be for the retail establishments in the development. Ms. Armstrong stated she was not certain if the funds were specifically slated for just the construction jobs.

Commissioner Breed stated she knew that the grant was a federal grant, and asked if staff could request more information on the grant and the use of the funds.

Executive Director Rosen stated staff would prepare a report for the Commission, and shared that about two or three weeks ago, she was invited to a meeting at Supervisor Mirkarimi's office regarding the employment for the development. Ella Hill Hutch was there and was extolling the employment opportunities, and they seemed to have resolved the issues with the developer regarding the employment training. Ms. Rosen stated that the initial issues Commissioner Breed inquired about had been resolved, and staff would provide more information to the Commission. Ms. Rosen stated that Ms. Armstrong was correct, that the focus of the grant was the training and employment opportunities for permanent jobs post construction, and staff would provide a report to the Commission.

Commissioner Breed put forth a motion to adopt item 4 (g). Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, THAT ITEM 4 (g) RESOLUTION NO. 24-2006, ADOPTING THE IMPLEMENTATION PLAN FOR THE WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2 BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.,

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 24-2006 WAS ADOPTED.

- 4 (h)** Resolution No. 25-2006, Adopting the implementation plan for the Embarcadero Lower-Market (Golden Gateway) Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Commissioner Covington asked what would happen at the sunset of a redevelopment plan.

Executive Director Rosen stated that when a redevelopment plan terminates, the legal jurisdiction of the Agency would be completed, and the underlying City Planning land use controls would apply. Any land use entitlements would be by the Planning Commission for future actions. Ms. Rosen referred to the importance of the SB 2113 plan amendment that had been referred to several times. SB 2113 special legislation enacted by the State Legislature that enabled San Francisco only to continue to collect tax increment and create indebtedness from the period 2004 to 2014 in order to replace low-income housing lost during the early years of redevelopment. So, as a financial matter, even after the redevelopment plan's expiration, because the Board of Supervisors adopted the SB 2113 plan amendment, the Agency would still be able to use the tax increment bonding capacity solely for the creation of affordable housing citywide, but the Agency's land use jurisdiction would be over.

Commissioner Covington requested verification that the Agency could incur debt until 2014.

Executive Director Rosen affirmed that the Agency could incur debt until 2014, and would have until 2045 to repay the indebtedness.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON THAT ITEM 4 (h) RESOLUTION NO. 25-2006, ADOPTING THE IMPLEMENTATION PLAN FOR THE EMBARCADERO LOWER-MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.,

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 25-2006 WAS ADOPTED.

Items 4 (i), (j) and (k) were presented together and acted upon separately.

- 4 (i)** Resolution No. 26-2006, Adopting the implementation plan for the Mission Bay North and South Redevelopment Project Areas
- 4 (j)** Resolution No. 27-2006, Adopting the implementation plan for the Rincon Point – South Beach Redevelopment Project Area
- 4 (k)** Resolution No. 28-2006, Adopting the implementation plan for the Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: John Elberling, Jeff Biesinger

Commissioner Romero thanked members of the public for staying at the meeting long enough to provide their input on the implementation plans, which were very good ideas. Mr. Romero put forth a motion to adopt item 4 (i).

Commissioner Breed asked if staff had a scheduled completion date for the Jewish Museum and if there any anticipated problems with the development.

Ms. Amy Neches, Senior Project Manager, stated staff expected that the Jewish Museum would start construction in June 2006 with a completion date scheduled for the end of 2007 and should open in early 2008. Ms. Neches stated she met with the Director of the Jewish Museum and believed that everything was going well, and they were in the process of obtaining their building permits, and believed that their fundraising was going well, so the project was moving forward on schedule.

Commissioner Breed asked if there still remained issues with the historic structure component of the Jewish Museum.

Ms. Neches stated she believed that all of the issues pertaining to the historic structure had all been resolved and the Jewish Museum had been working closely with San Francisco Heritage and the Landmarks Preservation Advisory Board, which had expressed satisfaction to the Agency that things were appropriately handled and that the Jessie Street Substation façade would be preserved and the sidewalls would be rebuilt, where the bricks would be removed, numbered and stored. Ms. Neches stated that in addition, the Jewish Museum had also provided the appropriate reports to the State Historic Preservation Officer, and believed that everything was in order.

Commissioner Breed stated she heard that the Mexican Museum had financial problems, and asked if that was true. Ms. Breed asked if staff had an estimated completion date for the Mexican Museum.

Ms. Neches stated that the Mexican Museum was not as far advanced as the Jewish Museum, and staff was conducting further discussions with the Mexican Museum and hope to report back to the Commission shortly. Ms. Neches stated that staff did not have an estimated completion date for the Mexican Museum.

Commissioner Breed requested clarification on the maintenance of the Yerba Buena Gardens and asked for an explanation of the separate maintenance fund.

Ms. Neches stated that a separate account was established, the revenue for which was the lease payments from Metreon, Marriott Hotel as well as certain garden exactions that were paid by some of the major property owners, including the Marriott, the Metreon and the St. Regis Hotel. The lease payments and exactions were deposited into the separate account, and would be used only for the operations and maintenance of the gardens and support for the various cultural facilities, including Zeum, Yerba Buena Center for the Arts, as well as capital improvements.

Commissioner Breed requested verification that after the Yerba Buena Center Redevelopment Plan expired, the cultural facilities and gardens would still be maintained.

Ms. Neches affirmed that the cultural facilities and gardens would still be maintained, and staff was already looking at appropriate financing structures for the post 2010 era when the redevelopment plan expires.

Commissioner Breed stated she agreed with Mr. John Elberling's comments about the signage in the gardens and asked if there was anything that staff was looking into to address the signage issues.

Ms. Neches stated that staff was starting to look at the signage issue on a case-by-case basis going forward, and as the Commission was aware, the Agency recently signed leases with two tenants for the gardens cafes and they were both in the process of preparing signage proposals to the Agency. Ms. Neches stated she agreed with Mr. Elberling that there could be better signage, and the Agency had invited Zeum to propose better signage, and staff would look into the issues raised by Mr. Elberling.

Commissioner Breed stated that Zeum had an art facility and asked if they had the money to pay for new and better signage, and if that was something the Agency could assist, especially the arts organizations, and not just Zeum but the entire gardens area.

Ms. Neches stated she thought that it would be appropriate to see Zeum's proposal before the Agency went any further, but the Agency had advised Zeum that if they felt that the signage was an issue, the Agency would consider further signage. Ms. Neches stated that staff would certainly look into the signage issues for the entire gardens area.

Commissioner Breed seconded Commissioner Romero's motion to adopt item 4 (i).

Commissioner Covington inquired about staffing at the Argent, St. Regis and W hotels, and asked how the Agency was making sure that they were working with the various entities that the Agency had identified to get staff into the hotels.

Executive Director Rosen stated she could not speak to the Argent Hotel because that was constructed a long time ago, but the St. Regis, W and Four Seasons hotels each have elaborate employment plans as part of their agreements with the Agency and they had used the South of Market Employment Center for their recruitment and specific training for the jobs generated in each of the hotels was conducted by the South of Market Employment Center, working with their collaborators in the consortium, which included Young Community Developers and Ella Hill Hutch. Ms. Rosen stated she recently spoke with the general manager of the St. Regis and was informed that all of the interviewing for all of their hiring was conducted by the South of Market Employment Center, and they got very good results.

Commissioner Covington asked if the hotels had actual employment numbers that could be shared with the Commission.

Executive Director Rosen stated that the hotels prepared regular reports to the Agency and would provide the latest report to the Commission.

Commissioner Covington asked if the new Harbor Building in South Beach had been completed.

Ms. Neches stated that the building was almost complete and believed that the building would be ready for occupancy in March 2006, and there was some interior work being completed, but the exterior looked pretty much done. Ms. Neches stated that there was still some landscaping to be done, but the project was going well.

Commissioner Covington stated she had previously asked a question about when the Agency worked with large entities like the University of California who built a humongous garage along Third Street, which was really irksome every time she drove by Third Street and felt that the garage was really unattractive, and asked if the Agency had any recourse with respect to aesthetics once a development agreement had been executed.

Ms. Neches stated that Mission Bay as a whole, had very strong design controls and as the Commissioners knew, every development project came to the Commission. Ms. Neches stated that there was a very strong streetscape program and a strong retailing program, but the exception was the 43-acre UCSF campus. Ms. Neches stated that UCSF is a State agency and they are exempt from the Agency and Planning Department's controls

and are in fact, exempt from the Building Department's controls. The Agency would not have any design review at all, on the UCSF campus, and in fact, the Agency would not even see the projects before they were built because UCSF did not collaborate with Agency staff, and they worked with their own separate advisory group and they were simply not bound by Mission Bay Design for Development. Ms. Neches stated she agreed with Commissioner Covington and the gentleman that spoke, and the buildings along Sixteenth Street are the UCSF buildings, which was disappointing. Ms. Neches stated that the 43-acre campus was conveyed to UCSF by Catellus and the City and the Agency simply had no role. Ms. Neches stated that when the Agency negotiated the agreements that were recently approved for the hospital, which was in a portion of Mission Bay that the Agency had jurisdiction, the Agency reached an agreement with UCSF that was written into the agreements that the Commission approved, that although UCSF would retain final design control because they are a State agency, they would collaborate with the Agency and bring the project not only to the Mission Bay CAC, but also the Commission for a public hearing, and that they would work with the Agency on agreed-upon design standards and guidelines. Ms. Neches stated she was hopeful that the hospital, when developed, would have the appropriate streetscape, retail frontage and active pedestrian uses that the Agency was working so hard to develop in Mission Bay.

Commissioner Covington requested clarification on the conveyance of the 43-acre campus to UCSF by Catellus and the City, and asked if the Agency represented the City.

Ms. Neches stated that land was conveyed by Catellus and the City and County of San Francisco, and not the Redevelopment Agency. Ms. Neches stated that the Agency had no involvement in the conveyance of the 43 acres to UCSF. Ms. Neches stated that the 43 acres are owned by UCSF and the 13 acres conveyed by the City directly to the university, were paper streets, which were formerly public rights of ways that were conveyed to the university along with the 30 acres from Catellus to form the 43-acre campus. Ms. Neches stated that the City entered into conveyance agreements directly with UCSF that did not place any design controls in the agreements, and UCSF as a State agency, is exempt from local land use controls.

Commissioner Covington asked if there was any paperwork or correspondence from the Agency to UCSF informing them of the Agency's desires for appropriate design.

Ms. Neches stated she certainly knew and worked with colleagues at UCSF, and thought that UCSF was aware of the Commission's concerns because staff was also vocal about the Agency's concerns with design standards. Ms. Neches stated that UCSF adopted a master plan for the campus and they

had followed it to some extent, but they worked within their own rules and they have a fairly elaborate internal development process and they also have their own community advisory group, but UCSF would not, nor are they required to consult, with Agency staff or the Commission, and they do not.

Commissioner Covington stated she understood the exempt status of UCSF, but that it was incomprehensible that UCSF could build a monolithic structure that was so unattractive, while the Agency was talking about spending over the course of the next 40 years, one billion dollars in a community, that Mission Bay would be the gateway to that community. Ms. Covington stated it was more than insulting and asked the Executive Director if the Agency could send UCSF a letter of protest and asking them to review as to how they might make the building more attractive, now that that the building had been built.

Executive Director Rosen stated the Commission could direct staff to communicate with UCSF, however, Ms. Neches' presentation was accurate as to their total exemption from local controls, and as a statewide matter they do not consult with any local jurisdiction. Ms. Rosen stated that with respect to Mission Bay in particular, at the time when the 43 acres were conveyed by the City, UCSF was deciding on where to locate a second campus and was being pursued by several other jurisdictions who were making similar offers of free land and infrastructure, and the City was very anxious to keep the second largest employer in San Francisco next to the City, and the premiere educational, scientific and medical research institution that UCSF is. It was also deemed to be the centerpiece and magnet for the economic development strategy for Mission Bay through the attraction of biotech and life sciences around the UCSF campus. Ms. Rosen stated that Catellus and the City had anxiously and diligently pursued UCSF. The University's policy, in addition to its legal exemption, is very strongly that they do not want the precedent-setting of any jurisdiction imposing standards on them. Ms. Rosen stated that at the time, Catellus and the City were very happy that they had persuaded the Regents of the University to site their second campus in Mission Bay.

President Peterson stated he heard Commissioner Covington's concerns and suggested that they could talk with UCSF about her concerns, specifically about the parking structure. Mr. Peterson stated he would be happy to arrange a meeting with the vice-chancellor of UCSF and he could join Commissioner Covington at the meeting.

Commissioner Covington stated that would be helpful and that she would also query them at the meeting as to what other matters they had coming before the Agency Commission.

Commissioner Breed stated she agreed with Commissioner Covington that the Agency just gave property to UCSF and the Agency was being treated inappropriately. Ms. Breed stated she frequented the Yerba Buena Gardens and that most of the gathering took place on the gardens, but did not see bicycle parking that would encourage people to ride their bicycles to the different attractions in the area, and asked if there were any plans to promote bicycle use to attract people to the Yerba Buena Gardens and adjoining art facilities.

Ms. Neches stated she would look into the matter and report back to the Commission.

Executive Director Rosen stated that there was bicycle parking in both the Fifth and Mission and Jessie Square parking garages, where underground bicycle parking is provided at no cost.

Commissioner Yee stated that he agreed whole-heartedly with Commissioner Covington's comments about the UCSF matter, and recalled that there was a similar situation with the Federal Office Building project on 7th and Mission Streets, where they had a Federal exemption from local land use controls. Mr. Yee stated that although it was a good idea for President Peterson and Commissioner Covington to meet and speak with UCSF, he would suggest that the meeting be approached with caution and to use diplomacy, because UCSF would not even have to listen to the Commissioners.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED THAT ITEM 4 (i) RESOLUTION NO. 26-2006, ADOPTING THE IMPLEMENTATION PLAN FOR THE MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 26-2006 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED THAT ITEM 4 (j) RESOLUTION NO. 27-2006, ADOPTING THE IMPLEMENTATION PLAN FOR THE RINCON POINT – SOUTH BEACH REDEVELOPMENT PROJECT AREA BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED “AYE”:

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED “NAY”:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY,.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 27-2006 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED THAT ITEM 4 (k) RESOLUTION NO. 28-2006, ADOPTING THE IMPLEMENTATION PLAN FOR THE YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED “AYE”:

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Yee
Mr. Peterson

AND THE FOLLOWING VOTED “NAY”:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY,.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 28-2006 WAS ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Minerva Dunn, Ace Washington

Commissioner Breed suggested that Ms. Dunn speak with Ms. Gaynell Armstrong, the Project Manager for Western Addition to get more information on the MUNI substation parcel.

7. REPORT OF THE PRESIDENT

- President Peterson stated there were responses from his fellow Commissioners regarding the retreat and had not heard from Commissioner Singh.
- Commissioner Singh stated he would prefer March 30th for the retreat.
- President Peterson stated that Commissioners who had indicated their availability to attend the retreat would all be available on March 30th, with Commissioner Covington not certain if she could attend, and Commissioner Romero would not be available on March 30th. Mr. Peterson stated he would suggest that the retreat be held on March 30th and would be willing to work with those Commissioners who want to be involved in setting the agenda for the retreat.
- President Peterson requested that maps of each of the project and survey areas be provided to each Commissioner for their reference during Commission meetings.

Executive Director Rosen stated she would be happy to provide the maps to each of the Commissioners.

- President Peterson stated he believed that the Agency met the standards for public notices of Agency Commission meetings, but the issue of the public not being notified or provided with late notices had come up many times before, and if there was anything that the Agency could do to redouble efforts to make sure that the Agency was going well beyond

what was required by law. Mr. Peterson stated that the Bayview EIR is an important and voluminous document and the Agency should provide more notice and greater access to some of the materials, and when the public voiced its concerns, it undermined the objectives and merits of the proposed redevelopment plan amendment.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated that in the interest of time, she would forego the Executive Director's report and would answer any questions the Commissioners had on the materials provided to them.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated he heard the President's report on the retreat, but did not hear the venue for the retreat, and asked if the retreat would be held at Treasure Island.
- President Peterson stated the venue had not yet been determined, but the retreat would be from 9:00 a.m. to 4:00 p.m., and he would inform the Commissioners when the venue had been selected.
- Commissioner Yee stated he read the San Francisco Chronicle article on Yerba Buena Lane and in fact, received telephone calls about the matter. Mr. Yee asked the Executive Director to provide a response.

Executive Director Rosen stated that the Yerba Buena Lane was what was called the connector lane between the Marriot Hotel and the Four Seasons Hotel and Market and Mission Streets. Yerba Buena Lane is Agency-owned property leased to the developer Millennium, which was required to construct the public improvements, maintain, secure and make it publicly available, but it is not a public street. Ms. Rosen stated that unfortunately, Agency staff was unaware that the developer had run into a problem with getting the street addresses, and once staff was informed that there was a problem, it was resolved. Ms. Rosen stated that the Museum of Craft and Folk Art had been told by the developer, which is their landlord (Millennium), that their address was a certain numerical address on Yerba Buena Lane, but the City's records still had the Market and Mission Street addresses that were part of the building permits. Ms. Rosen stated that when the Museum of Craft and Folk Art, the first tenant in that retail space moved in, correspondence addressed to them at the Yerba Buena Lane address they had on their lease, was returned to them because the address was not yet reflected in the City's record or at the post office. Ms. Rosen stated that unfortunately, the Museum contacted the press instead of the Agency, and once the Agency was made aware, the matter was resolved within 24 to 48

hours. Yerba Buena Lane was now on the City's official maps, and she believed that the Post Office was now recognizing the street address.

- Commissioner Yee stated he understood that the matter had been resolved, but was wondering how Senator Boxer got involved.

Executive Director Rosen stated that because the post office did not honor the street addresses that were not on the City's official maps, the Post Office apparently returned some mail that was addressed to Yerba Buena Lane. As a result, apparently the museum believed that it was a problem with the Post Office and, therefore, the Senator would be able to direct the Post Office to correct the problem. However, the problem was that it was a private street that was not on the City's official maps, and once that was brought to the Agency's attention, staff worked closely with the Department of Public Works, and they responded in one business day and resolved the matter.

- Commissioner Yee asked if anything like that had happened before in the City, or if this was the first time in the City's history.

Executive Director Rosen stated she would never say something was the first time without doing significant research, but the question was that this was a private street and so the process for getting a private street on the official maps was different from a public street.

- Commissioner Yee asked if the Agency had any guidelines for handling such matters.

Executive Director Rosen stated that in fact, it was an unusual situation that required consultation between the Agency's General Counsel, the City Attorney's office and the Department of Public Works on how to handle the situation, but it was worked out once the facts were known that the Agency owned the property.

- Commissioner Yee asked who was at fault in the matter.

Executive Director Rosen stated she did not think it was productive to guess who was at fault, and all she could say was that once the problem was brought to the Agency's attention, staff looked into it and quickly resolved the matter, and thought that all parties involved were satisfied at this point.

- Commissioner Breed stated she knew that she had asked staff for a number of things, but would request a written report on the Agency's financial advisors and the status of who was listed on the pool of financial advisors and when the pool was scheduled to expire and would there be opportunity for people to compete for work with the Agency.

- Commissioner Romero stated that he informed the Commission Secretary that he would only be available on one date for the retreat, which was Saturday April 8th, and asked if he would be the only one not going to be at the retreat now scheduled for March 30th. Mr. Romero stated that as a labor lawyer, people set hearing and trial dates that he did not have control over, and for those dates and times he had some control, he tailored his schedule around the Commission meetings. Mr. Romero stated that if he was the only one not able to attend the March 30th retreat, he would try and get parties to reschedule, but that the easiest date for him to reschedule would be the Tuesday March 28th date, which was one of the dates under consideration, and if it was possible to hold the retreat on March 28th instead of March 30th, he would be able to reschedule and attend the retreat.
- Commissioner Singh stated he would be out of town traveling to De Moines Iowa, and would not be available.
- Commissioner Romero stated it would easier for him to free up the Tuesday March 28th because he had a hearing schedule for Wednesday and Thursday that week, and he did not want to be the only not attending the retreat.
- President Peterson stated that he would follow up with Commissioner Romero in the next day or two about the schedule for the retreat.
- Commissioner King stated he wanted to thank President Peterson for scheduling the retreat and would suggest that the Agency hire Ms. Aileen Hernandez as the facilitator of the retreat because she did a very good job at the previous Commission retreat.

Commission Secretary Erwin Tanjuaquio asked President Peterson if the retreat was still scheduled for Thursday, March 30th.

- President Peterson stated he would follow up with Mr. Tanjuaquio on the schedule for the retreat.
- Commissioner Covington asked about the process for setting the agenda for the retreat that President Peterson alluded to earlier and asked him to outline for the Commissioners exactly how they would go about getting items on the agenda for the retreat.
- President Peterson stated there was not a new process and he was a little confused with the notes he received from the Commission Secretary that indicated that Commissioner Covington would not be able to attend the retreat.

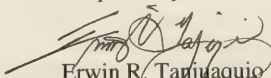
- Commissioner Covington stated that she informed the Commission Secretary that she would not be available for those specific dates, but if everyone else was available, she would work around the agreed-upon date, and noted that the Mr. Tanjuaquio was nodding his head confirming her conversation with him. Ms. Covington stated that even if she was not able to attend the retreat, she would still be interested in what the agenda was going to be and how to get an item on the agenda.
- President Peterson stated that Commissioner Covington could get anything on the agenda because he would like it very much if she would continue to take the lead in setting the agenda for the retreat, and he was happy to hear that she wanted to get involved and suggested that she develop the process for getting items on the retreat agenda.
- General Counsel Morales stated he wanted to remind the Commissioners that the agenda for the retreat would have to be prepared consistent with the Commission's practice and posted, and the Commission would have to abide by that agenda at the retreat, just as the Commission would for any other meeting agenda.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:55 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

March 7, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
7TH DAY OF MARCH 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of March 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

President Peterson stated he wanted to send greetings to Commissioner Leroy King because he was feeling under the weather and looked forward to a speedy recovery.

President Peterson asked for a moment of silence to remember Mrs. Mary Helen Rogers who passed away on Friday, March 10th. Mr. Peterson stated that anyone who was involved in redevelopment affairs in San Francisco knew of Mrs. Rogers' commitment, passion and love for her community and the City. Mr. Peterson stated that he did not know Mrs. Rogers very long as he was just appointed to the Commission the previous year, but had the opportunity to meet and work with her during the last year. Mr. Peterson stated that Mrs. Rogers was more than a community leader, but a model for people especially in Western Addition, to follow and emulate. Mr. Peterson stated that the March 7th Commission meeting would be adjourned in memory of Mrs. Mary Helen Rogers.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT

And the following were absent:

Leroy King

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of February 21, 2006

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF FEBRUARY 21, 2006, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 29-2006, Commending and expressing appreciation to Kate Hartley for five years of dedicated service upon her departure from the Redevelopment Agency of the City and County of San Francisco

Presenters: Olson Lee (Agency staff)

Speakers: Robin Levitt, Dorris Vincent, Paula Cook

President Peterson stated that in one of his first Commission meetings, he was surprised to see Ms. Hartley presenting before the Commission because he had worked with her about 12 or 13 years ago. Mr. Peterson stated he echoed the sentiments of the public speakers who lauded Ms. Hartley's hard work and dedication. Mr. Peterson wished Ms. Hartley the best in her future career.

Commissioner Singh wished Ms. Hartley well and stated that she would be missed. Mr. Singh put forth a motion to adopt item 4 (b).

Commissioner Romero stated he was happy to second Commissioner Singh's motion and offered his personal thanks to Ms. Hartley for her service to the Agency. Mr. Romero stated he believed he spoke for the Commission that it was very proud of the Agency's Housing Division particularly the affordable housing work, and that Ms. Hartley was one of the housing staff that frequently presented before the Commission, and her

presentations were always excellent. Mr. Romero stated that the Agency would miss her and wished Ms. Hartley success in her future.

Ms. Kate Hartley stated that it had been her absolute privilege to work at the Redevelopment Agency and to have been a part of so many affordable housing development projects. Ms. Hartley thanked all of her colleagues and the Commission, and that she would always value her tenure at the Redevelopment Agency.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 29-2006, COMMENDING AND EXPRESSING APPRECIATION TO KATE HARTLEY FOR FIVE YEARS OF DEDICATED SERVICE UPON HER DEPARTURE FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED

- 4 (c) Resolution No. 30-2006, Authorizing exclusive negotiations with Westbay Housing Corporation, a California nonprofit public benefit corporation, and Satellite Housing, Inc., a California nonprofit public benefit corporation, for the development of very low-income rental housing for persons with disabilities on Central Freeway Parcel Q, southwest corner of Octavia Boulevard and Oak Street; Citywide Tax Increment Housing Program

Presenters: Kate Hartley (Agency staff)

Speakers: Robin Levitt

Commissioner Romero put forth a motion to adopt item 4 (c) and stated that this was a good example of what redevelopment could do, which was an affordable housing development specifically geared toward disabled citizens.

Commissioner Singh requested that the representatives of the development team be introduced.

Ms. Kate Hartley, Development Specialist, introduced representatives from Westbay Housing Inc., Satellite Housing Inc., Fougeron Architects, Toolworks Inc., Golden Gate Regional Center, Norcal Vocational, and Bethany Center.

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (c).

Commissioner Covington stated she recalled Ms. Hartley mentioned that Westbay Housing was a new entity, and asked if it was established to respond the Parcel Q Request for Proposals (RFP).

Ms. Hartley stated that Westbay Housing was established in 2004 and was in existence prior to the issuance of the Parcel Q RFP, which was issued in September 2005.

Commissioner Covington stated she had a concern that she shared with the Executive Director about the proposed development, and that was the heavy traffic at the corner of Octavia Boulevard and Oak Street, which was heavily traversed and getting worse everyday. Ms. Covington stated that as the development process moved forward, she would request that the Agency look at traffic mitigation strategies in order to provide a safe environment. Ms. Covington stated that her concern was for the safety of the prospective tenants and that when the matter comes back to the Commission, she would look at the traffic and safety issues surrounding the development.

Ms. Hartley stated that staff shared Commissioner Covington's concerns and that the developer and architect were very cognizant of the pedestrian hazards on that street corner resulting from the heavy traffic. Ms. Hartley stated that the Agency had asked the developer in the exclusive negotiations agreement, to address specifically, consideration of pedestrian safety relative to traffic on Octavia Boulevard and Oak Street, which would be addressed in the developer's basic concept drawings and brought before the Commission for approval.

Commissioner Covington asked if staff had any architectural drawings to share with the Commission.

Ms. Hartley stated there were no architectural drawings yet, but soon after the approval of the exclusive negotiations agreement, the architect was required to prepare and submit basic concept drawings of the proposed development, which would be brought to the Commission for schematic design approval.

Commissioner Yee requested verification that everyone from the development team was in attendance except for the John Stewart Company.

Ms. Hartley affirmed that everyone from the development team was in attendance except for the John Stewart Company. Ms. Hartley stated she wanted to assure the Commission that the developer had a cohesive team and that the John Stewart Company had participated in all of the meetings and their absence at the Commission meeting did not mean that they were not interested and involved.

Commissioner Yee stated it seemed like the John Stewart Company was taking for granted that the Commission would approve the project even if they did not show up. Mr. Yee stated that personally, he did not appreciate it when people who have matters before the Commission did not attend the Commission meetings.

Executive Director Rosen stated she wanted to clarify that the exclusive negotiations that the Commission was considering was with Westbay Housing and Satellite Housing, and not with the John Stewart Company who would be provided property management services once the development was completed.

Commissioner Yee stated he understood that the John Stewart Company was going to provide property management services, but their absence from the meeting showed a lack of interest and that he did not appreciate the attitude, and for that reason, he would not vote for the item.

Commissioner Romero asked staff to name the members of the development team.

Ms. Hartley stated that the development team comprised of Westbay Housing and Satellite Housing, and the services would be provided by Toolworks Inc., Golden Gate Regional Center, Norcal Vocational, and Bethany Center. Ms. Hartley stated that the John Stewart Company would provide property management services once the development was built.

Commissioner Romero stated he did not believe in punishing everyone in the development team because one of the representatives was not in attendance. Mr. Romero stated he wanted to remind the Commission that the John Stewart Company was involved in several development projects with the Agency and the fact they had attended and participated in the planning meetings showed a great deal of interest in the project. Mr. Romero stated that he wanted to give the John Stewart Company the benefit of the doubt because of their ongoing involvement with the Redevelopment Agency. Mr. Romero stated that he would support and vote for the project.

Ms. Hartley stated that the exclusive negotiations agreement required the developer to meet certain goals over an 18-month period that largely revolve around architecture and financing issues, and role of the property manager would come much later in the development process. Ms. Hartley stated that she could speak highly of the John Stewart Company and their role and participation in the development process had been exemplary.

Commissioner Singh stated that it did not make a difference if the John Stewart Company had attended previous Commission meetings, and that he agreed with Commissioner Yee that they should have been in attendance for such an important project. Mr. Singh asked if staff had an estimate of the property management fee for the development.

Ms. Hartley stated that the property management fee would come at the later stage of the development, and the first step for the developer was to meet the terms of the exclusive negotiations agreement toward developing schematic drawings for the Commission's approval. Ms. Hartley stated that the John Stewart Company had top-rate credentials and experience in managing affordable housing developments as well as housing for disabled individuals. Ms. Hartley stated that the typical management fee for an affordable housing development would be \$50 per unit, per month, which would not include the operating expenses.

Commissioner Singh stated he would still prefer to see the John Stewart Company attend the Commission meeting.

Commissioner Yee asked if staff was notified by the John Stewart Company that they would not be able to attend the Commission meeting.

Mr. Olson Lee, Deputy Executive Director, stated that staff did not receive notification from the John Stewart Company that they would not be able to attend the Commission meeting. Mr. Lee stated that if it was the Commission wish, staff would request prospective property managers to be in attendance at Commission meetings where exclusive negotiations agreements were considered.

President Peterson stated that Commissioner Yee's point was thoroughly made and well taken, and that he was certain that the John Stewart Company would be in attendance at future Commission meetings. Mr. Peterson stated that the project was a very positive project with broad community support, and that he had not heard substantial opposition, although Commissioner Covington brought up serious traffic and safety issues that the Agency should further consider. Mr. Peterson stated this was the beginning of an 18-month negotiations period and there would be ample opportunity to address all of the issues.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, THAT ITEM 4 (c) RESOLUTION NO. 30-2006, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH WESTBAY HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND SATELLITE HOUSING, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF VERY LOW-INCOME RENTAL HOUSING FOR PERSONS WITH DISABILITIES ON CENTRAL FREEWAY PARCEL Q, SOUTHWEST CORNER OF OCTAVIA BOULEVARD AND OAK STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. Yee

AND THE FOLLOWING WERE ABSENT:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 30-2006 WAS ADOPTED.

Items 4 (d) through 4 (h) were presented together and acted upon separately.

- 4 (d)** Resolution No. 31-2006, Adopting Environmental Findings and a Statement of Overriding Considerations pursuant to the California Environmental Quality Act and State CEQA Guidelines in connection with the Amendment of the Redevelopment Plan for the Hunters Point Redevelopment Project and related documents and actions; Hunters Point Redevelopment Project Area and Bayview Hunters Point Redevelopment Survey Area
- 4 (e)** Resolution No. 32-2006, Approving the proposed Redevelopment Plan Amendment for the Hunters Point Redevelopment Project Area and making findings under the California Environmental Quality Act and pursuant to California Health and Safety Code Sections 33445 and 33679; recommending adoption of the proposed Redevelopment Plan by the Board of Supervisors; and submitting the Agency's recommendation, including the proposed Redevelopment Plan, to the Board of Supervisors; Hunters Point Redevelopment Project Area and Bayview Hunters Point Redevelopment Survey Area
- 4 (f)** Resolution No. 33-2006, Approving the Report on the Redevelopment Plan for the Hunters Point Redevelopment Project and authorizing transmittal of the Report on the Redevelopment Plan to the Board of Supervisors; Hunters Point Redevelopment Project Area and Bayview Hunters Point Redevelopment Survey Area

- 4 (g) Resolution No. 34-2006, Conditionally approving the Rules for Property Owner Participation, Relocation Plan and the Business Occupant Re-Entry Policy for the Hunters Point Redevelopment Project; Hunters Point Redevelopment Project Area and Bayview Hunters Point Redevelopment Survey Area
- 4 (h) Resolution No. 35-2006, Commending the Bayview Hunters Point Project Area Committee (PAC) and expressing the intention of the Agency to consult with the PAC on the implementation of the Hunters Point Redevelopment Project; Hunters Point Redevelopment Project Area and Bayview Hunters Point Redevelopment Survey Area

Presenters: Stan Muraoka, Tom Evans (Agency staff), Angelo King (BVHP PAC), Michael Cohen (Mayor's Office)

Speakers: Linda Richardson, Francisco Da Costa, Ena Aguirre, Ms. Suretha Freeman, Shanell Williams, James Bryant, Melvin Henderson, Shawn Ferguson, Hope Young, Latoya Johnson, Alvin Jones, Michael Harris, Sala Haquektah, Don Romesburg, Dennis Lumsey, Ms. Kevyn Lutton, Charlene Smythe, Alicia Schwartz, Ellouise Patton, Tamika Williams, Al Norman, Michael Lyon, Ace Washington, Willie Ratchiff, Edith Smith, Dwight Tucker, Bob Lee, Andrew Smith, Gary Bennett, Barry Eisenberg, Sandra Michelotti, Mardina Graham, Regina Davis, Inez Sunwoo, Aleshya Karasik, Glenn Bray, Ed Donaldson, Oscar James, J.V. McCarthy, Dorris Vincent, Derek Smith, Cara White, Gregory Wiggins, Dwayne Jones, Ollie Burgess, Vernon Foster, Rodney Hampton, Jr., Dr. George Davis, Mark Brennan, Jessica Tovar, Michael Hamman, Brian Egg, James Keith, Tab Buckner

Commissioner Romero put forth motions to adopt items 4 (d) through 4 (h), and stated he wanted to thank everyone who came to the meeting to express their views about the Hunters Point Redevelopment Plan Amendment. Mr. Romero stated that it was interesting to hear the same criticisms about redevelopment over the years, but like Mr. Michael Hamman stated earlier, the Redevelopment Agency was not the same Agency 30 years ago and the Commission was not the same Commission today. Mr. Romero stated that it was a different world today and that everyone should stop looking at the past and start looking to the future, and to make the best that everyone could. Mr. Romero stated he believed that the proposed Redevelopment Plan Amendment was a plan that looked to the future because of the hard work and dedication of the residents of the Hunters Point community, in particular, Mr. Angelo King and Ms. Dorris Vincent. Mr. Romero stated he could just imagine the PAC meetings because there was so much misinformation, misunderstanding and distrust toward the Agency, which the Agency earned, but the PAC and community had kept the Agency

honest, and through the public participation and planning process, the community had developed a plan that addressed the community's concerns. Mr. Romero stated that every criticism he heard at the meeting was addressed by the plan and reminded the public that the Commission was not deciding on any development project, but the Agency along with the community, was setting goals for the future, and the community had taken into account all of the community's concerns. Mr. Romero stated that it was time to move forward and like Mr. Dwayne Jones stated earlier, over \$190 million of tax increment would be generated over a period of 30 years, which would be used to develop affordable housing, community and economic development for Hunters Point. Mr. Romero stated these are things that would greatly benefit the community and urged the community to continue its oversight of the plan to ensure that everything built within the project area was within the goals established by the PAC and community, and to make sure that no one would be pushed-out and that the community would remain intact, at the same time, enhancing economic opportunities and job creation. Mr. Romero stated there could be a lot of positive things that the Agency and the community could do, and that he was confident of the people involved to make sure that happened. Mr. Romero stated he wanted to again thank members of the PAC for their continued hard work.

Commissioner Singh seconded Commissioner Romero's motions to adopt items 4 (d) through 4 (h). Mr. Singh stated that the Agency had a very clear message again and again, from the community to adopt the proposed Plan Amendment and to move forward with the revitalization of Hunters Point. Mr. Singh stated he wanted to thank members of the PAC, especially Mr. Angelo King and Ms. Linda Richardson.

Commissioner Yee stated he concurred with his fellow Commissioners' comments about the dedication and hard work of the PAC and community under the leadership of Mr. Angelo King and all those who had been involved for almost 10 years in the planning of Hunters Point. Mr. Yee stated that the PAC deserved the recognition and commendation for its hard work because of the thousands of hours spent in over 600 PAC meetings. Mr. Yee stated that Agency staff who had been working on the Hunters Point Redevelopment Plan Amendment should also be commended for their efforts. Mr. Yee stated he recalled a member of the public state that many years ago Mr. Justin Herman, a former Agency Executive Director was attacked by a member of the community, and pointed out that staff was just following the directions of the Commission, and that the Commission should be held responsible for the Agency's wrong-doing and not the staff. Mr. Yee stated that the Agency had been involved in the Bayview Hunters Point for many years and finally, with the help of the community, there was now a plan to improve the community, and he would suggest that more emphasis be given to do more for the residents of Hunters Point, especially those who had passed and not able to enjoy the fruits of a revitalized

community. Mr. Yee stated he would urge his fellow Commissioners not only to support adoption of the proposed Redevelopment Plan Amendment, but to also think about adding more community benefits in the future.

Commissioner Covington stated it was very clear that the people in the Bayview wanted what everyone wanted in America, which was a more than livable wage for the work that they did, a wonderful home to live in that they could be proud of, a sense of community pride where everyone was welcome, nice open space for people to have recreation safely with their children and grandparents. Ms. Covington stated that the plan was not perfect, but it was a more perfect plan than the community ever had before. Ms. Covington stated that there were a lot of economic forces driven by greed in the community, and the Agency hoped that the proposed plan would be the antidote for a lot of that, because without a plan, people would perish. Ms. Covington stated that in order for the community to thrive, it needed to have all of the plan elements in place, and her only regret was that after over \$2 million had been spent on the public process, there were still so many people uninformed about what had transpired over nine years of the hard work of the PAC and others in the community who had been very involved. Ms. Covington stated she did not want the adoption of the plan to be the end of the dialogue about what was happening in the Bayview, and that the Agency should redouble its efforts in terms of public relations and getting the word out on what the plans were, because it was clear that the Agency had not done a very good job of communicating how the plan would benefit the community. Ms. Covington stated she understood people's fears, but that fear could immobilize the whole community. Ms. Covington stated that the plan was a very proactive plan that could provide tremendous benefits to the City, and hopefully be able to put in place a lot of innovative things that it would serve as a model for other communities in the country. Ms. Covington stated she was very proud of the PAC and its steadfastness and energy was highly commendable, and she saluted them.

Commissioner Breed stated she supported the proposed plan, and as a native Western Addition resident, she had seen the effects of redevelopment when not used properly, because her peers had not benefited from the opportunities for jobs, businesses and housing. Ms. Breed stated that when she was first appointed as an Agency Commissioner, she did not necessarily feel proud to do so, but came to realize that by doing so, she was stepping up for a number of people who had fought so hard and stood up to redevelopment, people like Leroy King and Mary Rogers who had fought long and hard to make sure that their community would benefit. Ms. Breed stated she was extremely proud to see a large number of Bayview residents come out and stand for something, because if people did not stand for something, they would fall for anything. Ms. Breed stated that what mattered was, as the plan moved forward, the community would remain involved with the same passion they exhibited at the meeting. Ms. Breed stated her biggest concern that she would continue to push for, would be job

opportunities for the residents of the Bayview. Ms. Breed stated she really enjoyed hearing from long-time residents of the Bayview because she had relatives in the Bayview, and recalled that as a young woman, she frequented the all-night market and enjoyed the community. Ms. Breed stated that the biggest fight was still ahead of the community and for the \$190 million that would be generated for the Bayview community, the job training and economic development had not even been started yet, and that community leaders need to step up to the plate, and work to establish programs, job training and economic opportunities for the community, including substance abuse and mental health programs. Ms. Breed shared that she almost resigned from the Agency Commission to open her own business to develop job opportunities for the residents of Bayview. Ms. Breed stated that if the community did nothing and allow the Bayview to be gentrified the same way that Western Addition was gentrified, the community had no one to blame but itself. Ms. Breed stated that an organization such as Young Community Developers was an asset to the community and similar programs should be developed. Ms. Breed stated she would challenge the Bayview community to step up to the plate and support the proposed plan, and to fight against the Agency if necessary, if the Agency was doing something detrimental to the community. Ms. Breed stated she respected the members of the PAC for their due diligence and for working so hard on behalf of the community, and that Agency staff should be commended for its hard work in working with the PAC and the community.

President Peterson stated there was a consensus from the Commission to adopt the proposed Redevelopment Plan Amendment, and he would reserve his questions about job opportunities and the Model Block Program at a later time. Mr. Peterson stated the adoption of the plan was just the beginning and it was important for the PAC and the community to continue to be diligent to make sure that the Agency would follow-through with its responsibilities. Mr. Peterson stated he was very pleased to reward the hard work of the PAC and the community in adopting the plan, especially Mr. Angelo King who had the admiration and gratitude of the Commission. Mr. Peterson stated he also wanted to thank his fellow Commissioners for hanging in there for over three hours listening to the public testimony. Mr. Peterson stated he was very excited about the plan, because the only member of the PAC who voted against the plan the night before, stated in her testimony at today's meeting, that the plan was 90% acceptable and if the greatest detractor among the people most involved with the plan felt that the plan was 90% acceptable, then he would feel good about voting for the plan, not because he was an expert, but that he would look to the PAC's expertise and guidance, as well as Supervisor Maxwell and the Mayor's Office. Mr. Peterson stated that the real experts on the plan was not the Agency but the people who live and work in the Bayview, and they had the Commission's gratitude.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 31-2006, ADOPTING ENVIRONMENTAL FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND STATE CEQA GUIDELINES IN CONNECTION WITH THE AMENDMENT OF THE REDEVELOPMENT PLAN FOR THE HUNTERS POINT REDEVELOPMENT PROJECT AND RELATED DOCUMENTS AND ACTIONS; HUNTERS POINT REDEVELOPMENT PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 32-2006, APPROVING THE PROPOSED REDEVELOPMENT PLAN AMENDMENT FOR THE HUNTERS POINT REDEVELOPMENT PROJECT AREA AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 33445 AND 33679; RECOMMENDING ADOPTION OF THE PROPOSED REDEVELOPMENT PLAN BY THE BOARD OF SUPERVISORS; AND SUBMITTING THE AGENCY'S RECOMMENDATION, INCLUDING THE PROPOSED REDEVELOPMENT PLAN, TO THE BOARD OF SUPERVISORS; HUNTERS POINT REDEVELOPMENT PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 33-2006, APPROVING THE REPORT ON THE REDEVELOPMENT PLAN FOR THE HUNTERS POINT REDEVELOPMENT PROJECT AND AUTHORIZING TRANSMITTAL OF THE REPORT ON THE REDEVELOPMENT PLAN TO THE BOARD OF SUPERVISORS; HUNTERS POINT REDEVELOPMENT PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 34-2006, CONDITIONALLY APPROVING THE RULES FOR PROPERTY OWNER PARTICIPATION, RELOCATION PLAN AND THE BUSINESS OCCUPANT RE-ENTRY POLICY FOR THE HUNTERS POINT REDEVELOPMENT PROJECT; HUNTERS POINT REDEVELOPMENT PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 35-2006, COMMENDING THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE (PAC) AND EXPRESSING THE INTENTION OF THE AGENCY TO CONSULT WITH THE PAC ON THE IMPLEMENTATION OF THE HUNTERS POINT REDEVELOPMENT PROJECT; HUNTERS POINT REDEVELOPMENT PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. **REPORT OF THE PRESIDENT**

- President Peterson announced that the funeral service for Mrs. Mary Helen Rogers would be held Saturday March 11th, 9:30 a.m. at the Third Baptist Church, 1399 McAllister Street at the corner of Pierce Street. Reverend Edgar Boyd would be presiding over the services. Following the funeral service, internment would be at Rolling Hills in Richmond.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen stated she wanted to convey her personal condolences to Mrs. Rogers' family.
- Executive Director Rosen stated she wanted to send greetings to Commissioner Leroy King, whom she spoke with after the Bayview PAC meeting the night before.
- Executive Director Rosen announced the following events:
 - Plaza Apartments grand opening on Wednesday March 15th, from 12:00 noon to 1:30 p.m., with Mayor Newsom scheduled to attend.
 - Mission Creek Senior Apartments, which include an adult day-health center, and a new branch of the San Francisco library, as well as 140 waterfront units for seniors, and the first senior

housing in the country for people with HIV/AIDS, as well as housing for 40 frail seniors. Sneak preview and hard-hat tour on Wednesday March 15th, from 5:00 to 7:00 p.m., with a preview of the library.

- Curran House grand opening on Tuesday March 21st, from 12:00 noon to 1:30 p.m. The Curran House is new construction family housing developed by the Tenderloin Neighborhood Development Corporation.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Breed stated as a child growing up in Western Addition, there was a name that was a constant part of discussion in her household and that was Mary Helen Rogers. Ms. Breed stated that her grandmother and Mrs. Rogers were good friends and recalled stories about how Mrs. Rogers stood up to folks. Ms. Breed stated that Mrs. Rogers was a really wonderful person who always supported young folks and that even if she disagreed with people, she always supported them as long as she felt that people were trying to do the right thing. Ms. Breed stated that when she was asked to serve on the Agency Commission, one of the first people she thought of was Mrs. Rogers, because she would be excited that one of her own Western Addition native residents would be serving on the Commission that she had fought for so many years, but now would have a voice. Ms. Breed stated that Mrs. Rogers would have her voice whether or not she (Ms. Breed) was on the Agency Commission. Ms. Breed stated she really enjoyed the times she spent with Mrs. Rogers and would miss her advise, support and visits at the cultural center. Ms. Breed stated there would be no other people like Mrs. Rogers because she had a priceless soul and her inspiration would be greatly missed. Ms. Breed stated that one of the most important things that Mrs. Rogers said to her was to take care of the Juneteenth celebration, and that the celebration should be bigger and better whether or not the Agency was a part of it, and encouraged her fellow Western Addition residents to continue to support the Juneteenth celebration because it would mean a lot to Mrs. Rogers. Ms. Breed sent her condolences, support and love to the family of Mrs. Rogers.
- Commissioner Breed requested an update on the Fillmore Live grant agreement, which she understood that the group was having difficulties, and staff could provide the report at the next Commission meeting.
- Commissioner Covington stated she wanted to extend condolences to the family of Mrs. Rogers because she was one of the warrior women in the community, but also sent her regrets as she would not be able to attend the funeral service on Saturday.

- Commissioner Covington stated she wanted to let her fellow Commissioners know that she would be contacting them in the next few days to discuss the Commission retreat scheduled for March 28th.
- Commissioner Covington stated she wanted to express a concern about the flow of information given to Commissioners in terms of information provided to the Commission. Ms. Covington stated that in the last two weeks, Commissioners were sent numerous informational memoranda in addition to the Bayview Hunters Point Revitalization Concept Plan, which contained 750 pages, the Bayview Hunters Point Draft EIR of about 1,000 pages, and the Report on the Bayview Hunters Point Redevelopment Plan Amendment, also about 1,000 pages. Ms. Covington stated she was an avid reader, but when the voluminous material landed on her doorstep the Friday before a three-day weekend, she envisioned staff enjoying their weekend while Commissioners were pouring through the huge amount of documents to prepare for the Tuesday Commission meeting. Ms. Covington stated this was not a good management of the Commissioners' time and the flow of information, and the Commissioners would like to go beyond due diligence, and would request staff to provide adequate time for Commissioners' review so that they could do an excellent job for the City.
- President Peterson stated that Commissioner Covington's point was well taken, especially when documents had been printed for a long time.
- Commissioner Yee stated that the Agency would greatly miss Mrs. Rogers because she was a great leader not only for the Western Addition, but the whole City. Mr. Yee stated he recalled that when Mrs. Rogers came out of the hospital, he had brought candy and flowers and they had a nice conversation about issues in the community. Mr. Yee stated that Mrs. Rogers had such a great commitment to the City that even when she was not feeling well, she still managed to come and attend the Commission meetings. Mr. Yee stated that it would be difficult to fill Mrs. Rogers' shoes and that he was personally saddened that Mrs. Rogers was no longer here, but that she would not be forgotten and her spirit would always be with everyone she worked with.
- Commissioner Singh stated that Mrs. Rogers was a very good friend and recalled visiting her on two occasions after her hospital stay, and that Mrs. Rogers would always remind him to attend the Juneteenth celebration and participate in the parade, which he did for many years. Mr. Singh stated that Mrs. Rogers actually taught the Commission many things about her community, and was sure to tell the Commission if it did something wrong. Mr. Singh stated that he would greatly miss Mrs. Rogers, but he was sure that she was in heaven listening to what he was saying.


- Commissioner Romero stated he knew Mrs. Rogers for eight years and while he did not know her as long as Commissioner Breed did, he knew a person that came to the Commission meetings who was a fierce advocate for her community. Mr. Romero stated he had to admit that he and Mrs. Rogers were not friends, because most of the time, Mrs. Rogers was admonishing not only him, but the whole Commission to make sure that the Commission did the right thing. Mr. Romero stated he recalled when the Central Freeway Parcel C development was designated as the Mary Rogers Senior Community, she taught him the very important lesson that the work the Agency did really affected people's lives, and she made the Commission very much aware of that. Mr. Romero stated he was sure that Mrs. Rogers had inspired a lot of people like Commissioner Breed and many others to be the kind of staunch advocates for their communities. Mr. Romero stated that there probably would be no one like Mrs. Rogers, but hopefully others would emulate her. Mr. Romero stated that Mrs. Rogers' dedication, commitment and passion was great appreciated and would be sorely missed.
- President Peterson stated he would echo the sentiments of his fellow Commissioners and would suggest that the March 7th Commission meeting adjourn in memory of Mrs. Mary Helen Rogers.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Mr. Singh, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:15 p.m. The March 7, 2006 Commission meeting was adjourned in memory of Mrs. Mary Helen Rogers.

Respectfully submitted,


Erwin R. Tanjuaquijo
Agency Secretary

APPROVED:

March 21, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
21ST DAY OF MARCH 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 21st day of March 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of March 7, 2006

- 4 (b) Resolution No. 36-2006, Authorizing a Third Amendment to the Agency agreement with the Treasure Island Development Authority, a public body, corporate and politic, for the provision of Agency staff services to the Treasure Island Development Authority, on a month-to-month basis for a term not to extend beyond July 21, 2006, and authorizing other actions properly relating thereto
- 4 (c) Resolution No. 37-2006, Authorizing a First Amendment to the Personal Services Contract with OLMM Consulting Engineers, a California corporation, to extend the term by 18 months in connection with a seismic retrofit analysis of the Municipal Railway Substation building located at 1140 Fillmore Street; Western Addition Redevelopment Project Area A-2
- 4 (d) Resolution No. 38-2006, Authorizing a First Amendment to the Regulatory and Grant Agreement with Neighborhood Housing Renewal Corporation III, a California nonprofit public benefit corporation, to extend the term and increase the level of affordability, and to consent to the assignment of the Regulatory and Grant Agreement to 575 Eddy Street Associates, L.P., a California limited partnership, for the rehabilitation of 46 very low and low income rental units, 575 Eddy Street; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF MARCH 7, 2006, 4 (b) RESOLUTION NO. 36-2006, AUTHORIZING A THIRD AMENDMENT TO THE AGENCY AGREEMENT WITH THE TREASURE ISLAND DEVELOPMENT AUTHORITY, A PUBLIC BODY, CORPORATE AND POLITIC, FOR THE PROVISION OF AGENCY STAFF SERVICES TO THE TREASURE ISLAND DEVELOPMENT AUTHORITY, ON A MONTH-TO-MONTH BASIS FOR A TERM NOT TO EXTEND BEYOND JULY 21, 2006, AND AUTHORIZING OTHER ACTIONS PROPERLY RELATING THERETO, 4 (c) RESOLUTION NO. 37-2006, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH OLMM CONSULTING ENGINEERS, A CALIFORNIA CORPORATION, TO EXTEND THE TERM BY 18 MONTHS IN CONNECTION WITH A SEISMIC RETROFIT ANALYSIS OF THE MUNICIPAL RAILWAY SUBSTATION BUILDING LOCATED AT 1140 FILLMORE STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND 4 (d) RESOLUTION NO. 38-2006, AUTHORIZING A FIRST AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH NEIGHBORHOOD HOUSING RENEWAL CORPORATION III, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM AND INCREASE THE LEVEL OF AFFORDABILITY, AND TO

CONSENT TO THE ASSIGNMENT OF THE REGULATORY AND GRANT AGREEMENT TO 575 EDDY STREET ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE REHABILITATION OF 46 VERY LOW AND LOW INCOME RENTAL UNITS, 575 EDDY STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

At this time, approximately 4:14 p.m., Commissioner Yee arrived at the meeting.

REGULAR AGENDA

- 4 (e)** Resolution No. 39-2006, Authoring the engagement of UBS Securities LLC, a Delaware limited liability company, and Siebert Brandford Shank & Co., LLC, a Delaware limited liability company, as the underwriters for the anticipated issuance of the 2006 Tax Allocation Bonds by the Redevelopment Agency of the City and County of San Francisco

Executive Director Marcia Rosen stated that staff was prepared to present on the item, but understood that there may be a request to continue the item.

Commissioner Breed asked if a staff presentation was necessary.

Executive Director Rosen stated that staff could skip the presentation and that it was up to the Commission if it wanted a staff presentation.

Commissioner Breed asked if it was appropriate to make a motion to continue the matter until the next Commission meeting.

Executive Director Rosen stated that Commissioner Breed could make a motion to continue the item, but that the Commission would first have to hear public comment on the motion to continue.

Commissioner Breed stated she would prefer not to have a staff presentation, and put forth a motion to continue item 4 (e) to the Commission meeting of April 4th.

Commissioner Singh seconded the motion.

Speakers: (on the motion to continue item 4 (e))
John Templeton, Calvin Grigsby, Doris Ward, Charlie Walker

Commissioner King stated that he was glad to see the matter brought up because many years ago, African-American firms could not be hired for the Agency's bond underwriters, and recalled that Mr. Grigsby was the one of the first African-American firms to break-through in the bond underwriting business. Mr. King stated that Mr. Grigsby was most qualified to do the

work and that Mr. Grigsby had been full cleared and proven innocent, and that his firm should be given another opportunity, and that the Agency should look further into the matter.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 39-2006, AUTHORIZING THE ENGAGEMENT OF UBS SECURITIES LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND SIEBERT BRANDFORD SHANK & CO., LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS THE UNDERWRITERS FOR THE ANTICIPATED ISSUANCE OF THE 2006 TAX ALLOCATION BONDS BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE CONTINUED TO THE COMMISSION MEETING OF APRIL 4, 2006.

- 4 (f) Resolution No. 40-2006, Authorizing a Personal Services Contract with the Corporation for Supportive Housing, a Delaware-based nonprofit corporation, for a term beginning April 1, 2006 and ending March 31, 2009, for a total aggregate amount of \$300,000, for as-needed technical assistance services to supportive housing developers and operators; Citywide Tax Increment Housing Program

Presenters: Chris Harris (Agency staff)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, THAT ITEM 4 (f) RESOLUTION NO. 40-2006, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE CORPORATION FOR SUPPORTIVE HOUSING, A DELAWARE-BASED NONPROFIT CORPORATION, FOR A TERM BEGINNING APRIL 1, 2006 AND ENDING MARCH 31, 2009, FOR A TOTAL AGGREGATE AMOUNT OF \$300,000, FOR AS-NEEDED TECHNICAL ASSISTANCE SERVICES TO SUPPORTIVE HOUSING DEVELOPERS AND OPERATORS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED

- 4 (g) Resolution No. 41-2006, Authorizing a three-year lease with Mercy Housing California, a California limited partnership, for office space located at 1035 Folsom Street for the South of Market Project Area Committee and authorizing related costs, in a total amount not to exceed \$162,331, subject to appropriation; South of Market Redevelopment Project Area

Presenters: Cathy Pickering (Agency staff)

Speakers: Charles Range, Henry Kamilowicz

Commissioner Covington asked what the space was used for when not used for Project Area Committee (PAC) meetings.

Ms. Cathy Pickering, Assistant Project Manager, stated that the leased space was used as the PAC office, which had two staff members, and the larger, multipurpose room was used as a day-care during the day and available for meeting use after 5:30 p.m.

Commissioner Covington asked if the day-care was part of the office lease.

Mr. Mike Grisso stated that the lease would be for the smaller office space only, and there would be access to the day-care center for the full PAC meetings.

Commissioner Covington asked how many staff there was for the Western Addition Citizens' Advisory Committee (CAC).

Executive Director Rosen stated that the PACs had annual budgets and staff and that generally, the CACs' administrative work for their monthly meetings was provided by Agency staff. Agency staff provided support for the CACs in Mission Bay, Transbay, Rincon Point – South Beach and Western Addition.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 41-2006, AUTHORIZING A THREE-YEAR LEASE WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA LIMITED PARTNERSHIP, FOR OFFICE SPACE LOCATED AT 1035 FOLSOM STREET FOR THE SOUTH OF MARKET PROJECT AREA COMMITTEE AND AUTHORIZING RELATED COSTS, IN A TOTAL AMOUNT NOT TO EXCEED \$162,331, SUBJECT TO APPROPRIATION; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h) Resolution No. 42-2006, Authorizing a Personal Services Contract with CleanScapes, Inc., a Washington corporation, to provide streetscape maintenance and related services on Fillmore Street for a term of one year in an amount not to exceed \$164,815, with two, one-year extension options subject to appropriations; Western Addition Redevelopment Project Area A-2

Presenters: Audrey Kay (Agency staff)

Speakers: Ace Washington, Dorris Vincent, Rev. Arnold Townsend

Commissioner Covington asked what the size of the local workforce for CleanScapes was. Ms. Covington asked how many people would work under the proposed contract, and what the benefits were for the employees.

Ms. Audrey Kay, Property Management Specialist, stated that CleanScapes had 12 employees, and that CleanScapes was a San Francisco firm.

Mr. Chris Husband of CleanScapes, stated that there would be one full time employee that was hired through Ella Hill Hutch, and one part-time employee would be hired for the pressure-washing during the day and an additional part-time employee for the night-time pressure-washing, and one more part-time employee for the swing shift. Mr. Husband stated that there would be three full-time equivalent employees under the proposed contract. Mr. Husband stated that employees who worked over 30 hours would be eligible to receive benefits, including medical, vision, dental if employees opted for it, and a small life insurance policy.

Commissioner Covington stated she thought it was great to have the coverage for cleaning and maintaining the streets because the Agency had invested a lot of money in the streetscape, and that she was especially glad to know that second-chance employment opportunities would be provided for people. Ms. Covington put forth a motion to adopt item 4 (h).

Commissioner Breed asked how often the pressure-washing would be done.

Mr. Husband stated that pressure-washing would be done early in the morning five days a week, and that he had suggested additional washing at nighttime, using regular hoses with nozzles hooked-up to fire hydrants. Mr. Husband stated that it would be more efficient to do a combination of heated pressure-washing in the early mornings with additional washing at nighttime because the heated pressure-washing would remove the gum and debris deposits and the nighttime washing would keep the sidewalks clean.

Commissioner Breed stated she was a little confused because the Request for Proposals for the streetscape maintenance contract listed the O'Farrell Street Plaza as one of the areas to be cleaned, but that the plaza was privately owned, and asked if the property owner was responsible for the maintenance of the plaza.

Ms. Kay stated that the maintenance should be the responsibility of the owner, but there had been problems with getting participation by the owner, that the Agency decided to just include the plaza in the proposed contract to insure that it was cleaned and maintained.

Commissioner Breed asked if the plaza was part of the previous or existing contract.

Ms. Kay stated that the plaza was part of the existing contract with MJM Management Group, and they power-washed the sidewalks and the plaza only once or twice a week, and they also put new flowers in the planters, but that Agency staff was hoping to get more coverage with CleanScapes.

Commissioner Breed stated she was concerned that she was previously told that the maintenance of the plaza was the owner's responsibility, and that she was never told that the existing contract included maintenance of the plaza, and would now be covered under the proposed contract. Ms. Breed stated she would like clarification as to how the plaza would be maintained continuously, and whether or not the new contractor would be able to clean and maintain the plaza so that the plaza would not be so filthy. Ms. Breed asked what specifically would CleanScapes do to get rid of the grease and stains on the plaza, and if they would have people trained to maintain it, and how soon would they be able to begin the clean-up, after the contract was approved.

Mr. Husband stated that he was not sure if MJM used hot water to pressure-wash the plaza and sidewalks, but that they would use pressurized hot water to steam clean that would get rid and melt the grease away. Mr. Husband stated that the plaza would be very clean and within a week of the start of the contract, which was to begin on April 1st, there would be marked improvements.

Commissioner Breed asked if the Fillmore Bridge, which had been vandalized, was included in the proposed contract.

Ms. Kay stated that the cleaning of the sidewalks was included, but not the replacement of the broken glass panes, which staff was working on, but was outside of the scope of the streetscape maintenance contract.

Commissioner Breed requested verification that clean-up of benches were the benches in front of the mini-park on Golden Gate Avenue and Fillmore Street. Ms. Breed asked if the mini-park was part of the proposed streetscape maintenance contract. Ms. Breed requested verification that the Agency had done some work on the mini-park.

Ms. Kay affirmed that the benches referred to in proposed contract were the benches in front of the mini-park on Golden Gate Avenue and Fillmore Street. Ms. Kay stated that the mini-park was not part of the proposed streetscape maintenance contract, and only the benches in front of it, and the City's Recreation and Park Department was responsible for its maintenance.

Executive Director Rosen stated that the Agency had done some work on the mini-park some years ago, but that the park had been given to the City's Recreation and Park Department.

Commissioner Breed asked if the Western Addition CAC officially approved supporting the contract with CleanScapes.

Ms. Kay stated that an informational memorandum was sent to members of the CAC informing about the proposed contract with CleanScapes, but that she did not hear from the CAC.

Ms. Gaynell Armstrong, Project Manager, stated that the CAC did not officially approve the proposed contract with CleanScapes at a CAC meeting, but in telephone conversations with individual members, they did support the proposed contract with CleanScapes.

Commissioner Breed inquired about Ella Hill Hutch's involvement with the proposed contract and asked Mr. George Smith to address the Commission.

Mr. George Smith, Director of the Ella Hill Hutch Community Center, stated that they had signed a Memorandum of Understanding with CleanScapes to provide employment placement and training services for Western Addition area residents.

Commissioner Breed seconded Commissioner Covington's motion to adopt item 4 (h).

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 42-2006, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH CLEANSAPES, INC., A WASHINGTON CORPORATION, TO PROVIDE STREETScape MAINTENANCE AND RELATED SERVICES ON FILLMORE STREET FOR A TERM OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$164,815, WITH TWO, ONE-YEAR EXTENSION OPTIONS SUBJECT TO APPROPRIATIONS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (i) Resolution No. 43-2006, Authorizing a Grant Agreement with the San Francisco Juneteenth Committee ("SF Juneteenth"), an unincorporated association, to produce and manage promotional events and activities in the Fillmore Jazz Preservation District for a one-year term in an amount not to exceed \$261,250 and authorizing the Executive Director to enter into a Personal Services Contract with Allen Community Development Corporation, or other qualified fiscal agent as selected by SF Juneteenth and who meets the Agency's insurance, indemnification and other requirements, to serve as its fiscal agent in an amount not to exceed \$13,750, for a total aggregate amount not to exceed \$275,000; Western Addition Redevelopment Project Area A-2

Presenters: Alicia Bert (Agency staff), Dexter Woods (SF Juneteenth)

Speakers: Jim Larkin, Kevin Jefferson, Essie Collins, Oscar James, Louis Garrett, Ave Montague, Michael Johnson, Ace Washington, Rev. Arnold Townsend

Commissioner Breed stated that there had been huge success in previous celebrations of Juneteenth, but it was important to continue to have events not only for San Francisco, but also to attract others from the Bay Area to the community to enhance the economic development opportunities. Ms. Breed stated she would propose an amendment to the resolution that staff issue a separate Request for Proposals for the Jazz District Film Festival and to remove the Jazz District Film Festival component in the amount of \$13,000 from the SF Juneteenth Grant Agreement.

Commissioner Covington asked how the Commission should proceed with Commissioner Breed's proposed amendment.

Executive Director Rosen stated she wanted to point out that the amount allocated for the film festival in the grant agreement was \$12, 550.

Commissioner Breed stated it was her understanding that the film festival budget was supposed to be amended because of some issues, and the \$13,000 amount in her proposed amendment was the amount she would recommend, and that the revisions to the grant agreement budget should reflect the \$13,000 amount removed for the film festival component.

Commissioner Covington asked staff to describe the selection process and negotiations with the San Francisco Juneteenth Committee.

Ms. Alicia Bert, Assistant Development Specialist, stated that following the initial release of the Request for Proposals (RFP), the Agency received three proposals, which were deemed not complete. In an effort to expedite the process, the Agency asked the three respondents to re-submit their proposals for subsequent review by the Agency, following which, one proposal was deemed complete and timely. A selection panel was convened for the purpose of reviewing the proposal submitted by the SF Juneteenth Committee, where the panel met with the SF Juneteenth Committee and its subcontractors. Ms. Bert stated that the panel had questions about the planned events and budget, and SF Juneteenth subsequently provided additional budget information, which led to a more finalized budget for the grant agreement that was before the Commission.

Commissioner Covington thanked Ms. Bert for the background information, and stated her concern was that after the resubmission of the proposals, it still took two months of negotiations with SF Juneteenth, and she was wondering about the completeness of the resubmitted proposal, and why the other two respondents were not given the same opportunity to make their proposals complete and acceptable.

Ms. Bert stated that the threshold for meeting the submission requirements of the RFP had more to do about the contractor's ability to meet the Agency's policies and procedures on its Small Business Enterprise Program, the Minimum Compensation Policy and other policies, and not the content of the proposed contract.

Commissioner Covington stated that she did not see the fundraising component that Ms. Bert mentioned in her presentation in the proposed budget. Ms. Covington asked if the \$275,000 would be sufficient to fund the events for the celebration.

Ms. Bert pointed Commissioner Covington to page 4 of the Commission memorandum, and stated that under the budgeted amount of \$373,000, of which \$275,000 would be provided by the Agency, the difference of \$98,000, if fundraised, would be used to enhance any or all of the six planned events. Ms. Bert stated that the \$275,000 grant would be sufficient to cover all six events.

Commissioner Covington stated she was concerned that the budget be sufficient and that SF Juneteenth would be fiscally responsible, because there had been cost overruns in the past, and the Agency could not operate in that manner in the future, and the Commission would not look favorably at cost overruns of \$50,000 or \$60,000.

Commissioner Covington asked if there would be one or two film festivals as part of the Juneteenth celebration.

Ms. Bert stated that the grant agreement with SF Juneteenth was intended to fund one film festival.

Executive Director Rosen stated as she understood Commissioner Breed's motion, it would be to remove the Jazz District Film Festival and its associated scope of services and costs, including management and fiscal agent costs from the grant agreement and the fiscal services contract, and separately, to direct Agency staff to issue a Request for Proposals for the scope of services for a Jazz District Film Festival. Ms. Rosen stated that the Commission would not have to change the grant agreement amount because the amount was a "not to exceed" amount, and staff would make those adjustments, taking those costs out of the amount awarded, and reserving those funds to be available for a separate RFP for a film festival to be held in the Jazz District. Ms. Rosen asked Commissioner Breed if that was correct.

Commissioner Breed stated that was her motion to amend.

Commissioner Covington seconded Commissioner Breed's motion to amend.

Speakers: (on the motion to amend item 4 (i))

Rev. Arnold Townsend, Ace Washington, Essie Collins, Ave Montague

Commissioner Breed stated she wanted to clarify why she made the motion to amend the proposed resolution. Ms. Breed stated that her amendment was to remove the Jazz District Film Festival from the grant agreement with SF Juneteenth, and to issue a separate RFP for a Jazz District Film Festival to be held in the Western Addition, and that this would not automatically qualify the San Francisco Black Film Festival or any film festival for the RFP. Ms. Breed stated there would be a competitive process, similar to what was done for the Black History Month, when Mr. Webb was awarded a separate contract. Ms. Breed stated she understood and realized the issues in the Western Addition community, and based upon the complaints and concerns she had heard, she did not think that the Juneteenth collaborative would be as successful if the film festival was included in the collaborative. Ms. Breed stated it did not mean that the San Francisco Black Film Festival would be awarded the contract, and it would give anyone who was interested in doing a film festival an opportunity to do so, on a competitive basis. Ms. Breed stated she wanted to see a successful event, but given the community dynamics, she just did not see that success with the film festival being part of the broader collaborative Juneteenth celebration. Ms. Breed stated that was why she made the amendment and to issue a separate RFP for the film festival because she was not comfortable with the process. Ms. Breed stated there was no backroom deal because she was a person of integrity and as a native Western Addition resident, she knew the dynamics of her community, and would request the support of her fellow Commissioners.

Commissioner Romero stated he was pleased because he thought it was remarkable that so many different events could be done under one umbrella with community folks involved, and that he understood Ms. Ave Montague and Commissioner Breed's positions. Mr. Romero stated he did not see anything underhanded and that the explanations he heard were rationale and urged everyone to maintain a positive outlook about the events. Mr. Romero stated he supported Commissioner Breed's amendment and would vote to support the item as amended.

Commissioner King stated he had been there since the beginning of the Juneteenth celebration and that he had no problem with Commissioner Breed's amendment. Mr. King stated that Ms. Montague had a good track record and the film festivals had been successful, and the process would remain competitive as they had been in the past.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED, TO REMOVE THE JAZZ DISTRICT FILM FESTIVAL AND ITS ASSOCIATED SCOPE OF SERVICES AND COSTS, INCLUDING MANAGEMENT AND FISCAL AGENT COSTS FROM THE GRANT AGREEMENT WITH SF JUNETEENTH AND THE FISCAL SERVICES CONTRACT, AND SEPARATELY, TO DIRECT AGENCY STAFF TO ISSUE A REQUEST FOR PROPOSALS FOR THE SCOPE OF SERVICES FOR A JAZZ DISTRICT FILM FESTIVAL.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 43-2006, AUTHORIZING A GRANT AGREEMENT WITH THE SAN FRANCISCO JUNETEENTH COMMITTEE ("SF JUNETEENTH"), AN UNINCORPORATED ASSOCIATION, TO PRODUCE AND MANAGE PROMOTIONAL EVENTS AND ACTIVITIES IN THE FILLMORE JAZZ PRESERVATION DISTRICT FOR A ONE-YEAR TERM IN AN AMOUNT NOT TO EXCEED \$261,250 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PERSONAL SERVICES CONTRACT WITH ALLEN COMMUNITY DEVELOPMENT CORPORATION, OR OTHER QUALIFIED FISCAL AGENT AS SELECTED BY SF JUNETEENTH AND WHO MEETS THE AGENCY'S INSURANCE, INDEMNIFICATION AND OTHER REQUIREMENTS, TO SERVE AS ITS FISCAL AGENT IN AN AMOUNT NOT TO EXCEED \$13,750, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$275,000; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AS AMENDED, BE ADOPTED.

Items 4 (j) and (k) were presented together and acted upon separately.

- 4 (j)** Resolution No. 44-2006, Authorizing an Owner Participation Agreement with Bayview Village, LLC, a California limited liability company, for the development of a five-story, mixed-use project including 15 rental units and ground-floor retail space at 950 Newhall Street, located at the corner of Newhall Street and Kirkwood Avenue; Bayview Industrial Triangle Redevelopment Project Area
- 4 (k)** Resolution No. 45-2006, Conditionally approving a schematic design for the development of a five-story, mixed-use project including 15 rental units and ground-floor retail space at 950 Newhall Street, located at the corner of Newhall Street and Kirkwood Avenue; Bayview Industrial Triangle Redevelopment Project Area

Presenters: Alicia Bert, Gabriela Cardona (Agency staff)

Speakers: Dorris Vincent, Bob Baum, Dan Dodt, Angelo King, Oscar James, David Cincotta

Commissioner Breed stated that she really enjoyed the architectural drawings because of the vivid colors. As a youngster who frequented the Bayview, the area was always an eyesore with the fumes and the smells, but with the proposed mixed-use project, the owner was really setting the standard for new development and revitalization in the Bayview. Ms. Breed stated she was very proud of Mr. Wiggins and that it was good to see him and his mother at the meeting. Ms. Breed stated that these were the kind of ideas that should be taught to the young folks, the new generation in the Bayview community, and the proposed development should be used as an example of how new developments should be designed. Ms. Breed put forth motions to adopt items 4 (j) and 4 (k).

Commissioner Covington stated she also thought that it was a good-looking building and that it would really anchor that section of the neighborhood. Ms. Covington asked the architect to provide two other addresses in San Francisco that he had designed.

Mr. Bob Baum, Architect, stated he had designed a project at 380 10th Street at the corner of Harrison Street, across from Costco. Mr. Baum stated he had done a residential project at 580 Missouri Street, just south of 20th Street, which was a series of 11 townhouses.

Ms. Covington asked if there was a penthouse on the proposed development with a huge balcony.

Mr. Baum stated there would be a number of apartments on the top floor, and the building would step back and create roof terraces, but there would not be a single penthouse.

Commissioner Covington asked if there would definitely be a laundromat as part of the development. Ms. Covington asked how many bedrooms there would be for the two affordable units. Ms. Covington asked why the proposed development was being presented to the Commission.

Ms. Gabriela Cardona, Architectural Assistant, stated that there would be a laundromat on the ground floor as well as a coffee house along Newhall Street. Ms. Cardona stated that the two affordable units would be one two-bedroom and one three-bedroom unit. Ms. Cardona stated that the proposed development was being presented to the Commission for the authorization of an Owner Participation Agreement and the conditional approval of the schematic design.

Commissioner Covington seconded Commissioner Breed's motions to adopt items 4 (j) and 4 (k).

Commissioner Romero stated he wanted to congratulate the owner for a great job of working with the Bayview PAC even if he was not obligated to do so, and wanted to recognize him for his sense of community. Mr. Romero stated that the owner's efforts should be emulated by everyone.

Commissioner Singh stated he really liked the color scheme of the proposed development and asked if the color would be the same as that depicted on the architectural renderings. Mr. Singh asked what the total construction cost would be and if there was an estimate of how much the two affordable units would rent for.

Mr. Baum stated that the proposed color scheme would be the same as the architectural renderings, and they would bring back to the staff, the proposed materials to be used. Mr. Baum stated that the construction cost was estimated at \$7 million.

Ms. Alicia Bert, Assistant Development Specialist, stated she did not believe that the rents for the affordable units had been determined yet, but that they would be based upon the Department of Housing and Urban Development (HUD) income limits and the Area Median Income (AMI).

Executive Director Rosen stated that the affordability would be set by the Commission's policy and the rent would be affordable to a household whose income would not exceed 60% of the AMI, and depending on the size of the household, the annual income limit would be in the mid-\$30,000, and by affordable, that would mean that the rent would be set at no more than 30% of that maximum income level.

Commissioner King stated he wanted to congratulate the owner for the hard work during the past 10 years and thanked him for a wonderful development. Mr. King stated the Agency would support the project all the way.

President Peterson stated he believed that the proposed development really set the standard for future developments in the area because of its outstanding architectural design. Mr. Peterson congratulated everyone involved.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 44-2006, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH BAYVIEW VILLAGE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF A FIVE-STORY, MIXED-USE PROJECT INCLUDING 15 RENTAL UNITS AND GROUND-FLOOR RETAIL SPACE AT 950 NEWHALL STREET, LOCATED AT THE CORNER OF NEWHALL STREET AND KIRKWOOD AVENUE; BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 45-2006, CONDITIONALLY APPROVING A SCHEMATIC DESIGN FOR THE DEVELOPMENT OF A FIVE-STORY, MIXED-USE PROJECT INCLUDING 15 RENTAL UNITS AND GROUND-FLOOR RETAIL SPACE AT 950 NEWHALL STREET, LOCATED AT THE CORNER OF NEWHALL STREET AND KIRKWOOD AVENUE; BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (l) Resolution No. 46-2006, Authorizing a Personal Services Contract with Arc Ecology, a California nonprofit corporation, to provide environmental outreach and information services to the Bayview Hunters Point community for a term of one year, with two 1-year extension options, and approving the first year budget in the amount of \$283,500; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Oscar James, Scott Madison, Dorris Vincent, Ronald Jones, Flavia Krasilchick, Dan Dodt, Olin Webb, Angelo King, Derek Toliver, Sy Allen, Jeff Condit

Commissioner Yee stated he had no doubt that Arc Ecology was qualified to do the job, but it was not the qualifications that he was concerned about, but the process in which staff presented the matter to the Commission. Mr. Yee stated that in his view, the process was wrong and it did not follow the Robert's Rules of Order. Mr. Yee asked the Executive Director to explain how the matter was brought back to the Commission after the previous motion to adopt failed with a tie vote of the Commission.

Executive Director Rosen stated that staff prepared an informational memorandum to the Commission on February 17, 2006, after it had considered the Commissioners' comments and questions and public comment, and after consulting with the CAC, the staff recommended in order to absolutely establish the fairness of the process, that there would be a re-interview and re-evaluation of the respondents to the RFP.

Commissioner Yee stated that staff prepared the informational memorandum stating what staff intended to do, but the question was, did staff receive authorization from the Commission.

Executive Director Rosen stated that the informational memorandum stated that the staff's suggestion was to go forward and provided a schedule upon which the interviews and recommendation would go to the Commission, and was given to the Commission sufficiently in advance of staff proceeding, such that if the Commission objected or directed staff not to proceed, staff would not have gone ahead.

Commissioner Yee asked if that was the right procedure and if the Executive Director could show him where in Robert's Rules of Order, that was the case.

Executive Director Rosen stated that if Commissioner Yee was asking whether Robert's Rules of Order permitted an item to be re-calendared, she would defer to the General Counsel.

General Counsel James B. Morales stated that first of all, the motion before the Commission was essentially a new motion. Mr. Morales stated that back in December 2005, staff recommended Arc Ecology based upon a certain selection process, and the motion before the Commission was a different motion because it was based upon a different selection process, and the Commission was free to consider the new recommendation of a new selection panel. Mr. Morales stated that even if the Commission did not deem the new recommendation as a new motion, nothing precluded the Commission in a subsequent meeting, from considering a motion that had failed before with a tie vote. Mr. Morales stated that each meeting of the Commission was a separate session, and when the meeting adjourned, that would be the end of the session, and the next or subsequent meetings would be new sessions, and the Commission could bring up any matter that was not acted on because it failed with a tie vote at the previous meeting or session, and that is what Robert's Rules of Order state. Mr. Morales stated that there were two reasons that the motion was properly before the Commission; one, the motion was a new motion, and two, even if it was not a new motion, it was available to the Commission to vote on a motion that failed due to a tie vote.

Commissioner Yee stated that to the best of his knowledge, he believed that the General Counsel was wrong because a tie vote meant that the motion failed and it could not be brought back on the agenda with just the consent of the Executive Director and the Commission President. Mr. Yee asked who gave staff the authority to put the matter back on the agenda.

Mr. Morales stated that the agenda was set by the President, Vice-President and the Executive Director pursuant to the Agency's bylaws.

Commissioner Yee stated that was completely wrong because when an item failed with a tie vote, the matter could not be brought back on the agenda. Mr. Yee stated that the General Counsel should consult with the City Attorney on the proper procedures. Mr. Yee stated he recalled that when the matter was previously before the Commission, the Executive Director provided additional materials to the Commission at the last minute, and recalled that Commissioner King remarked that was disrespectful to the Commission. Mr. Yee stated that he was always the one who followed the

rules and he wanted to let the public know that he would never rubber-stamp anything that staff recommended. Mr. Yee stated that the process used by the Executive Director to place the matter back on the agenda with the recommendation of the President, Vice-President and the Executive Director at the Agenda-setting was totally wrong and did not follow Robert's Rules of Order.

Executive Director Rosen stated that as the General Counsel had stated, the matter before the Commission was a new matter. Ms. Rosen stated that the agenda was set by the President, Vice-President and Executive Director, and that was how the agenda was set since before she became Executive Director when Commissioner Yee was President and Commissioner King was Vice-President. Ms. Rosen stated that as to the question about Robert's Rules of Order, as the General Counsel stated, the matter before the Commission was a new matter because it was pursuant to a new selection process, which the Commission was informed about and staff proceeded according to the February 17, 2006 informational memorandum. Secondly, even if it was not a new matter, Robert's Rules prohibited the same matter from being considered at the same session if the motion had failed, however, pursuant to the Agency's bylaws, each session of the Commission would be a duly noticed meeting of the Commission. The last time the matter was heard was on December 20, 2005, at which point, there were two motions: one was a motion to continue, which failed with a tie vote, and then there was a motion to approve, which also resulted in a tie vote and that motion failed. Ms. Rosen stated that session of the Agency Commission was over on that date when the meeting was adjourned, and so pursuant to Robert's Rules, the matter could have been rescheduled at any subsequent meeting of the Commission. Ms. Rosen stated that the matter was properly before the Commission.

Commissioner Yee stated that both the Executive Director and General Counsel were well-aware of the rules and they should have informed the President and Vice-President that the matter could not be brought back to the Commission. Mr. Yee stated that the City Attorney should have been consulted on the proper procedure, but the Executive Director did not do that. Mr. Yee stated that when the Executive Director called him the day before and informed that she had sent an informational memorandum, which meant that the Executive Director was directing him to follow her, instead of the Commission giving directions for staff to follow. Mr. Yee stated that the process was completely wrong and that if he was incorrect, he would readily admit it.

President Peterson stated that he would ask the General Counsel to inquire with the City Attorney and report back in writing to the Commission. Mr. Peterson stated he would plead with Commissioner Yee to move forward.

Commissioner Yee stated that the matter could not be considered by the Commission as presented by staff, because it was completely out of order. Mr. Yee stated he never said that he was against Arc Ecology, but it was the process that he disagreed with. Mr. Yee stated that the matter could not be voted on by the Commission.

President Peterson stated he believed that Commission Yee was mistaken, and that staff would obtain a legal opinion from the City Attorney and asked Commissioner Yee to please move forward.

Commissioner Yee stated the whole process was improper and the matter could not be voted on by the Commission. Mr. Yee put forth a motion to continue item 4 (I) until the next Commission meeting, so that a legal opinion could be had on the proper procedures.

Commissioner King seconded Commissioner Yee's motion.

President Peterson stated it was appalling that the community was being held up for 90 days over principally a pointless argument, and if he was a member of the community, he would be appalled.

Commissioner King stated he thought it was out of order what the President was trying to push through without a full discussion on the matter. Mr. King stated as far as Arc Ecology, he had supported them from the beginning, but the way the contract was being pushed-through without a full discussion was not proper. Mr. King stated that all the President had to do was to table the matter until there was a legal opinion on the proper procedures. President Peterson called for a roll call vote on the motion to continue.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, THAT ITEM 4 (I) RESOLUTION NO. 46-2006, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ARC ECOLOGY, A CALIFORNIA NONPROFIT CORPORATION, TO PROVIDE ENVIRONMENTAL OUTREACH AND INFORMATION SERVICES TO THE BAYVIEW HUNTERS POINT COMMUNITY FOR A TERM OF ONE YEAR, WITH TWO 1-YEAR EXTENSION OPTIONS, AND APPROVING THE FIRST YEAR BUDGET IN THE AMOUNT OF \$283,500; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE CONTINUED TO THE COMMISSION MEETING OF APRIL 4, 2006, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Peterson

AND THE FOLLOWING ABSTAINED:

Mr. Singh

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, TWO (2) AYES, FOUR (4) NAYS AND ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION TO CONTINUE ITEM 4 (I) FAILED.

Commissioner Romero put forth a motion to adopt item 4 (I). Mr. Romero stated that sometimes, the Commission would get fixated on procedures and process and lose sight of the substance of what the Agency was trying to do. Mr. Romero stated this was the second meeting the Arc Ecology matter had come before the Commission and the idea was to keep things moving forward especially in the Bayview community, where things had dragged on for a long time. Mr. Romero stated that the Commissioners should be bigger people and be aboveboard, and the Commission should not get hung-up on what he believed to be petty objections. Mr. Romero stated that in his eight years on the Commission, the process was no different that what the Commission had done many times before, whether the matter was considered as a new matter or was being brought back, the Commission had done so repeatedly. Mr. Romero stated that Commissioners are inundated with voluminous documents all the time and that was the nature of the Agency's work. Mr. Romero stated that one must be prepared and try to get a good grasp of the materials provided by the staff, so that questions and issues could be anticipated. Mr. Romero stated that the public testimony at the December 20, 2005 meeting was essentially the same as that received at this meeting. Mr. Romero stated that Mr. Bloom had worked in the community for a long time and did not see any reason why Arc Ecology should not be awarded the contract. Mr. Romero stated that the Commission was going on a retreat and maybe, it could discuss procedures, but as long as he had been on the Commission, the President, Vice-President and Executive Director set the agenda for the Commission meetings. Mr. Romero stated that sometimes, he did not like what was on the agenda, but he respected their authority to set the agenda, and not waste the public's time and get bogged-down with procedures. Mr. Romero stated that if felt personally slighted, he would call the Executive Director privately, and tell

her why he did not like something she did, and would not do it in a public attack at a Commission meeting, which becomes very personal. Mr. Romero stated the Commission should focus on what the real issue was and that was Arc Ecology should get the contract.

Commissioner Covington stated that in her experience when procedural questions came up, the Commission could vote on the motion and wait until there was an opinion or decision from the City Attorney.

Mr. Morales stated that there would not be a decision from the City Attorney because they are a separate City department that represents the City and they do not represent the Agency, which is a legal entity, separate from the City. Mr. Morales stated that the City Attorney would not render a legal opinion, rather he would write a legal opinion for the Commission and send it to the City Attorney's office, and maybe they would agree or disagree with the opinion.

Commissioner Covington asked if the City Attorney was not the appropriate body to render a legal opinion, then who would be.

Mr. Morales stated as the Commission knew, the Agency is a separate legal entity with its own staff, and its counsel is the General Counsel, which he is. Mr. Morales stated that if the Commission disagreed with the opinion of the General Counsel, the technical option would be to retain an outside counsel.

Commissioner Covington asked if the entire Commission would have to disagree or can an individual Commissioner disagree and seek a legal opinion.

Mr. Morales stated he believed that the Commission would act as a body by majority vote, and the Commission would have to direct staff or to retain outside counsel, and would have to vote by a majority vote to do so.

Commissioner Covington asked if the Agency had any written guidelines for PACs and CACs related to conflict of interest.

Mr. Morales stated that each CAC and PAC have bylaws, which generally contain a reference to the State law conflict of interest provisions, and they also refer to the application of the Brown Act for purposes of public meetings, so the guidelines for the CACs and PACs are the same guidelines that govern the Commission, which would be the State law, its regulations, interpretations of those laws by the courts and by the State Attorney General, which would have the authority to interpret the conflict of interest laws. Mr. Morales stated that over the years, the Agency had questions arise about PACs and CACs and conflict of interests, whether or not individual members of PACs and CACs were able to vote on matters that they may or

may not have a financial interest, and the Agency had issued opinions interpreting the State law and its regulations, looking at the case law and those are the guidelines, and what staff was telling the Commission about the conflict of interest provisions and their applicability to Mr. Bloom, was a restatement of State law and the General Counsel's understanding and interpretation of those provisions. Mr. Morales stated that PAC and CAC members are told that they are bound by the Political Reform Act, by Section 1090 of the Government Code, and were trained at least on an occasional basis about the regulations, by himself or Deputy General Counsel, and they were reminded of those obligations each year, when they file the Statements of Economic Interest.

Commissioner Covington stated that based upon staff's presentation documenting the efforts that Mr. Bloom took to recuse himself from any conversations were well documented, and Ms. Franklin had publicly stated that there was no problem with that. Ms. Covington stated that Mr. Angelo King stated that previously he was opposed to the proposed contract, but now, he was fine with the proposed contract. Ms. Covington stated that in this instance, she did not see any problem with the conflict of interest. Ms. Covington stated that the Agency should, as much as it could, educate the public about these important matters, so that everyone would know if people were in compliance or not. Ms. Covington stated she really appreciated the time that members of the CAC had taken to come before the Commission repeatedly on the same issue, and she had not heard anything negative about the qualifications of Arc Ecology. Ms. Covington seconded Commissioner Romero's motion to adopt item 4 (I).

Commissioner Singh stated he was really puzzled because he had spoken to an attorney from the State and was advised that a matter that failed on a tie vote could only be brought back by members who had voted against the motion, and that was why he abstained on the motion to continue the matter. Mr. Singh stated he did not realize the authority on legal matters for the Agency was the Agency's General Counsel, and thought that the Commission had someone else above it that had authority, like the State Attorney General.

Commissioner Breed stated she appreciated Commissioner Covington's efforts to resolve the matter and to put Commissioner King's concerns at ease, but that when the Commission holds its retreat, it would be an eye-opener for all Commissioners to make sure that they are educated about the issues and not bombard the public with matters that should be handled internally. Ms. Breed stated she did understand and respect Commissioner Yee's concerns with regard to the legalities, but that she would not want to punish an organization on matters that the Commission was not completely clear on, and from her understanding upon review of the materials, there was a different process put in place to allow the matter to come before the

Commission, primarily because of what happened at the December 2005 meeting. Ms. Breed stated as far as she was concerned, she would support the proposed contract with Arc Ecology, but also thought that the Commission not completely ignore the issues brought up by Commissioner Yee, and to make sure that such issues are discussed at the Commission retreat. Ms. Breed stated that Commissioner Yee brought up another important concern about Commissioners being perceived as a rubber-stamp for Agency staff, and that the decisions she made were in the best interest of the constituents that she served and was doing the best job that she could possibly do without being self-serving, and that she questioned the decisions made by staff. Ms. Breed stated she respected the concerns raised by Commissioner Yee and hoped that they would be resolved at the Commission retreat, but in the case of the proposed contract with Arc Ecology and her thorough knowledge of their experience, and as an African-American, she did not want to see the work delayed any further. Ms. Breed stated that a group called Shoreline Park Youth, an organization that worked on environmental issues in the Bayview, were in the meeting earlier, but had to leave, and they just wanted to say that they were in support of the project, and that she wanted their statement entered into the Agency's public record. Ms. Breed stated she was glad to see young folks get involved in environmental issues, and as a former chemistry major who worked at Lawrence Livermore National Laboratory, she was aware of a lot of the environmental issues in the community. Ms. Breed reiterated that she supported the proposed contract with Arc Ecology and looked forward to moving forward.

Commissioner Yee stated he wanted reiterate that if the matter moved forward, the Commission might regret its action, because Commissioners did not listen to his advise. Mr. Yee stated that the General Counsel should go ahead and consult with the City Attorney or the State Attorney General to obtain clarification on the procedures, but that he was certain that the General Counsel's opinion was wrong. Mr. Yee stated that if the matter moved forward, the General Counsel would be embarrassed because of his improper advise. Mr. Yee stated he agreed with Commissioner Covington's suggestion that the Commission could vote on the matter, subject to verification from an authority on the legal procedures, because he had read Robert's Rules of Order and it was clear that the matter could not be brought back to the Commission in the manner that had been done. Mr. Yee stated that when the Executive Director sent a memorandum to the Commission stating what she intended to do, that was improper, and it should be the other way around.

Commissioner King opined that the Agency's General Counsel was not the Commission's counsel, but the Executive Director's. Mr. King stated that the Redevelopment Agency was governed by the State Attorney General, and recalled that when he had an argument with former Commissioner Mark

Dunlop, he (Mr. King) met with then Mayor Willie Brown and Supervisor Ammiano who was the Board of Supervisors President, and was told that the Agency was under the jurisdiction of the State Attorney General, and the case between him and Mr. Dunlop was settled by the State Attorney General. Mr. King stated that Mr. Morales and Ms. Rosen knew that the matter was decided by the State Attorney General, and any legal issues of the Commission would be governed by the State Attorney General, and not the City Attorney or the Agency's General Counsel, because the Agency was not a City department, but a State agency.

Commissioner Romero stated he wanted Commissioner Covington who was absent when the matter was heard in December 2005 to have an opportunity to vote, and called the question on the motion to adopt, and requested a roll call vote.

Commissioner Yee stated he recalled that former Mayor Willie Brown allowed him to hire outside counsel, because the decisions made by the Agency's General Counsel was incorrect. Mr. Yee stated that Mr. Peter Keane, Dean of the Golden Gate University, should be hired as the Commission's counsel.

President Peterson stated that the Agency would request an opinion from the State Attorney General. Mr. Peterson apologized to members of the public for the unnecessary delay.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, THAT ITEM 4 (I) RESOLUTION NO. 46-2006, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ARC ECOLOGY, A CALIFORNIA NONPROFIT CORPORATION, TO PROVIDE ENVIRONMENTAL OUTREACH AND INFORMATION SERVICES TO THE BAYVIEW HUNTERS POINT COMMUNITY FOR A TERM OF ONE YEAR, WITH TWO 1-YEAR EXTENSION OPTIONS, AND APPROVING THE FIRST YEAR BUDGET IN THE AMOUNT OF \$283,500; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING ABSTAINED:

Mr. Singh
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, ONE (1) NAY, AND TWO (2) ABSTENTIONS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 46-2006 WAS ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**
 - Barbara Banks
7. **REPORT OF THE PRESIDENT** None.
8. **REPORT OF THE EXECUTIVE DIRECTOR**
 - Executive Director Rosen reported that the Bayview Hunters Point proposed Redevelopment Plan Amendment, which the Commission adopted at its previous meeting, was introduced by Supervisor Maxwell at the Board of Supervisors' meeting on March 14th, and staff was awaiting confirmation of the Board's schedule of its public hearings. Ms. Rosen stated staff anticipated that the Board's committee hearings would occur at the end of April and at the full Board in early May.
 - Groundbreaking for Parkview Terrace, Central Freeway Parcel A, scheduled for Wednesday, April 5th. Further details would be sent to the Commission.
9. **COMMISSIONERS' QUESTIONS AND MATTERS**
 - Commissioner Covington reported that the wonderful new Plaza Apartments had a grand opening the week prior, which was fabulous. Ms. Covington stated there are new homes for 106 very low income individuals, many of whom were formerly homeless, and to hear the wonderful stories from the new tenants was just fantastic. Ms.

Covington stated there was a deck on the 9th floor where the laundry room was, and that laundry room had the best view of any laundry room in the City. Ms. Covington stated that the kitchen on the ground floor was organized so that people could participate in cooking classes. Ms. Covington stated that a few of the units were open and the residents were very gracious and invited the guests to their homes. Ms. Covington commended staff for a great job on a green building, which utilized materials that were environmentally sensitive.

- Commissioner King inquired about a meeting of the Working Group.

Executive Director Rosen stated she had not forgotten Commissioner King's request and staff was awaiting the data and would let him know when the meeting was scheduled.

- Commissioner King stated that he would have been to the Plaza Apartments grand opening, but he had a conflict with his schedule with the union, and asked the President to take into consideration the Commissioners' schedule with respect to events, and not just the Mayor's schedule.
- Commissioner Yee stated he would ask his fellow Commissioners to consider retaining outside counsel on the procedural matter, specifically Mr. Peter Keane. Mr. Yee stated he knew the State Attorney General very well, and he could write or call him, but that would be an embarrassment to the Redevelopment Agency.
- Commissioner Romero stated he missed the Plaza Apartments grand opening as he had previously scheduled an out-of-state vacation months in advance. Mr. Romero stated that the new Commissioners should look into the very controversial history of the Plaza Apartments, and he was pleased to see everything turn out well.

Executive Director Rosen stated that Commissioners Breed, King and Romero were the only Commissioners not able to attend, and staff would be happy to arrange a tour, if the Commissioners wished.

- Commissioner Covington asked how the Commission should proceed with Commissioner Yee's suggestion to retain outside counsel, and if the Commission was going to do so, there should be a budget for retaining outside counsel.
- President Peterson stated as Commissioners King, Singh and Yee had stated previously, the ultimate arbiter would be the State Attorney General, and the Agency's General Counsel should communicate in writing with a representative of the Attorney General's Office and request them to render an opinion, and then report back to the Commission.

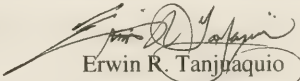
- Commissioner Singh stated that was a good idea to consult with the State Attorney General's Office. Mr. Singh stated he attended the Plaza Apartments grand opening, and wanted to thank Commissioner Yee because that was his idea and creation.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Mr. Singh, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:14 p.m.

Respectfully submitted,



Erwin R. Tanjraquio
Agency Secretary

APPROVED:

April 4, 2006

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
28TH DAY OF MARCH 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at Casa De la Vista, Bldg. 271 on Palm Avenue, Treasure Island, in the City of San Francisco, California, at 9:00 a.m. on the 28th day of March 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 9:00 a.m. Mr. Peterson welcomed members of the public, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT

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Marcia Rosen, Executive Director and James B. Morales, General Counsel, were also present.

**2. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA,
BUT AGENCY RELATED MATTERS None.**

3. The Commission of the Redevelopment Agency held a retreat for the purpose of discussing the following:

- (a) Discussion on each project and survey area
- (b) Improving Commission meetings
- (c) Governance

Commissioner Covington welcomed everyone and stated that she was glad to see a 100% participation of the Commissioners on the retreat. Ms. Covington introduced Ms. Aileen Hernandez, who facilitated the Commission retreat.

Ms. Aileen Hernandez asked Commissioners to give personal introductions of themselves to start off the retreat.

Ms. Hernandez referred Commissioners to handouts provided, including "guide to becoming an effective board member," "the tasks of leadership," and "ground rules for discussion."

The Commissioners had a general discussion about improving the Commission meetings by setting policies to give guidelines for staff to implement, by defining the roles of Commissioners and staff, by improving relationships and communications between Commissioners and staff.

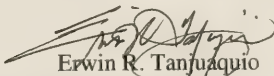
The Commissioners had a general discussion about the Agency's redevelopment project and survey areas, specifically Western Addition and Bayview Hunters Point, and the participation of the various communities in the Agency's programs and activities.

The Commissioners suggested workshops to discuss current work activities in various project/survey areas, as well as a workshop on sustainable and universal design. The Commissioners also suggested an annual retreat for the Commissioners.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Ms. Breed, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:00 p.m.

Respectfully submitted,


Erwin R. Tanjanguio
Agency Secretary

APPROVED:

May 2, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
18TH DAY OF APRIL 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of April 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh

DOCUMENTS DEPT.

And the following were absent:

AUG 23 2006

Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Resolution No. 49-2006, Authorizing a First Amendment to the Tenant Improvement Loan Agreement with Powell's Place, LLC, a California limited liability company, to amend the repayment schedules, in connection with Powell's Place, located at 1521 Eddy Street; Western Addition Redevelopment Project Area A-2
- 4 (b) Resolution No. 50-2006, Authorizing an extension of time of up to 90 days for completion of Contract RPSB 004-03 with Angotti & Reilly, Inc., a California corporation, from April 23, 2006, to July 22, 2006, for South Beach Park and Harbor Improvements; Rincon Point - South Beach Redevelopment Project Area
- 4 (c) Resolution No. 51-2006, Authorizing the First Amendment to the Regulatory Agreement and Declaration of Restrictive Covenants with Mercy Terrace LLC, a California limited liability company, to allow for revisions to income restrictions and rent increases under certain conditions, for 158 affordable units located at 333 Baker Street, Citywide Affordable Housing Program

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) RESOLUTION NO. 49-2006, AUTHORIZING A FIRST AMENDMENT TO THE TENANT IMPROVEMENT LOAN AGREEMENT WITH POWELL'S PLACE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO AMEND THE REPAYMENT SCHEDULES, IN CONNECTION WITH POWELL'S PLACE, LOCATED AT 1521 EDDY STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, 4 (b) RESOLUTION NO. 50-2006, AUTHORIZING AN EXTENSION OF TIME OF UP TO 90 DAYS FOR COMPLETION OF CONTRACT RPSB 004-03 WITH ANGOTTI & REILLY, INC., A CALIFORNIA CORPORATION, FROM APRIL 23, 2006, TO JULY 22, 2006, FOR SOUTH BEACH PARK AND HARBOR IMPROVEMENTS; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, AND 4 (c) RESOLUTION NO. 51-2006, AUTHORIZING THE FIRST AMENDMENT TO THE REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS WITH MERCY TERRACE LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO ALLOW FOR REVISIONS TO INCOME RESTRICTIONS AND RENT INCREASES UNDER CERTAIN CONDITIONS, FOR 158 AFFORDABLE UNITS LOCATED AT 333 BAKER STREET, CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

- 4 (d)** Resolution No. 52-2006, Authorizing a Sixth Amendment to the Exclusive Negotiations Agreement to extend the term until September 30, 2007, a Third Amendment to the Tax Increment Loan Agreement to amend the schedule of performance, and a Development Services Agreement to perform pre-construction demolition in an amount not to exceed \$100,000, with San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, for the development of 18 low- and moderate-income first-time home ownership units and ground floor commercial space at 4800 Third Street; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

Presenters: Vanessa Dandridge (Agency staff)

Commissioner Singh put forth a motion to adopt item 4 (d). Commissioner Breed seconded the motion.

Commissioner Covington inquired about the size of the units for the proposed development.

Ms. Vanessa Dandridge, Development Specialist, stated that the units would be small and be a mix of one- and two-bedroom units. Ms. Dandridge stated she did not recall the exact square footage and the developer, who would know the square footage, was not in attendance.

Commissioner Covington asked staff in the future, to prevail upon the developers to attend the Commission meeting.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 52-2006, AUTHORIZING A SIXTH AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS AGREEMENT TO EXTEND THE TERM UNTIL SEPTEMBER 30, 2007, A THIRD AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT TO AMEND THE SCHEDULE OF PERFORMANCE, AND A DEVELOPMENT SERVICES AGREEMENT TO PERFORM PRE-CONSTRUCTION DEMOLITION IN AN AMOUNT NOT TO EXCEED \$100,000, WITH SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 18 LOW- AND MODERATE-INCOME FIRST-TIME HOME OWNERSHIP UNITS AND GROUND FLOOR COMMERCIAL SPACE AT 4800 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

Items 4 (e) and (f) were presented together and acted upon separately.

- 4 (e)** Resolution No. 53-2006, Authorizing an Owner Participation Agreement with Jos Levin Realty Corporation of San Francisco, a California corporation, for the proposed development at 1632, 1634, and 1640 Jerrold Avenue, located between Third and Phelps Streets (Assessor's Block 5272, Lots 16, 17, and 18); Bayview Industrial Triangle Redevelopment Project Area
- 4 (f)** Resolution No. 54-2006, Conditionally approving the schematic design for the proposed development at 1632, 1634, and 1640 Jerrold Avenue, located between Third and Phelps Streets (Assessor's Block 5272, Lots 16, 17, and 18); Bayview Industrial Triangle Redevelopment Project Area

Presenters: Tiffany Bohee, Gabriela Cardona (Agency staff)

Commissioner Covington asked if this was the same Palm Broker currently located on Guerrero Street.

Ms. Gabriela Cardona, Architectural Assistant, stated this was the same Palm Broker currently located on Guerrero Street.

Commissioner Covington stated she noticed on the schematic drawings that there did not appear to be any setback from the sidewalk, and asked if the plantings shown were inside the fence. Ms. Covington asked if there would be street trees along the sidewalk.

Ms. Cardona stated that the plantings would be inside the fence, and although the schematic drawings did not show street trees because they would obstruct the elevation drawings, there would in fact be street trees along the sidewalk.

Commissioner Covington stated she recalled that the Mayor had talked about requiring a six-foot setback from the public sidewalk in order to soften fences such as those proposed for the Palm Broker.

Ms. Flora Grubb of the Palm Broker, stated that the proposed development would be a garden store and the reason why they chose only an 18-foot setback was to allow for demonstration gardens inside and all along the fence. Ms. Grubb stated that the demonstration gardens would use African plant species, which were very valuable and easily-plucked, but the fences would be transparent with some plants growing outside the fences, and the hope was to have beautiful gardens viewed from the street, with the fences disappearing from the lushness of the plants in the garden.

Commissioner Covington requested the Executive Director to consult with the Mayor's Office to find out exactly what the Mayor had been proposing in the last year regarding sidewalk setbacks. Ms. Covington stated it was important for the Agency to be in compliance not necessarily with the Palm Broker project, but for future developments.

Executive Director Rosen stated she had been meeting with Mr. Marshall Foster of the Mayor's Office, and there were a lot of proposals under discussion, but she did not believe that the sidewalk setback proposal had been codified, and staff would check and let the Commission know.

Commissioner Breed stated she was a bit confused because the staff summary stated that native plants would be used, and then Ms. Grubb of the Palm Broker stated that some of the plants would be imported. Ms. Breed asked to see the architectural model close-up.

Mr. Seth Boor of Boor Bridges Architects, stated that the street trees would be native trees as required by the Bayview Industrial Triangle Redevelopment Plan, and the plants and trees described by Ms. Grubb would be imported African plant species.

Ms. Tiffany Bohee, Development Specialist, stated that it was important for the community and the Project Area Committee (PAC) to incorporate African themes and elements in the demonstration gardens.

Commissioner Romero stated he thought the proposal had an attractive design that would greatly enhance the area, and that he like the garden concept and café because it would improve the neighborhood. Mr. Romero stated that the PAC endorsed the proposal and the Agency appreciated the developer's cooperation in working with the PAC. Mr. Romero stated he was familiar with the Palm Broker on Guerrero Street as he had shopped there many times, and wished them success in their new location. Mr. Romero put forth motions to adopt items 4 (e) and 4 (f).

Commissioner Singh seconded Commissioner Romero's motions to adopt items 4 (e) and 4 (f).

Commissioner Breed stated she supported the proposed project because she was really an advocate for good landscaping and gardens, but that the drawings were not very clear. Ms. Breed stated that the proposed development would definitely be an improvement to what was currently on the site.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (e) RESOLUTION NO. 53-2006, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH JOS LEVIN REALTY CORPORATION OF SAN FRANCISCO, A CALIFORNIA CORPORATION, FOR THE PROPOSED DEVELOPMENT AT 1632, 1634, AND 1640 JERROLD AVENUE, LOCATED BETWEEN THIRD AND PHELPS STREETS (ASSESSOR'S BLOCK 5272, LOTS 16, 17, AND 18); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 54-2006, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE PROPOSED DEVELOPMENT AT 1632, 1634, AND 1640 JERROLD AVENUE, LOCATED BETWEEN THIRD AND PHELPS STREETS (ASSESSOR'S BLOCK 5272, LOTS 16, 17, AND 18); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (g) Resolution No. 55-2006, Conditionally approving a revised overall development plan and schematic design for Parcel X4 located at 409 and 499 Illinois Street in Mission Bay South pursuant to an Owner Participation Agreement with X-4 Dolphin LLC, a Delaware limited liability company and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Dan Kingsly (SKS Development),
Dave Myers (Landscape Architect)

Speakers: Michael Theriault

Commissioner Romero stated he was on the Commission when the former owner, Esprit proposed the initial development, which he thought was beautiful with the flowing gardens in front of the proposed structure. Mr. Romero stated he would not have thought that a different design would be better, but the developer had clearly achieved that. Mr. Romero stated he was very pleased with the way the development had been opened-up with the lower heights of the structures, and that he also liked in particular, the designation of space for life sciences and bio-technology uses, which everyone hoped would be greatly increased in that area of San Francisco, even though the site was not part of the Mission Bay project area. Mr. Romero congratulated everyone involved on a beautiful design and that the Commission should definitely approve the schematic design. Mr. Romero thanked the Agency staff in particular, Ms. Amy Neches and her able

assistant, Ms. Kelly Kahn, who was a new staff member of the Agency. Mr. Romero welcomed Ms. Kahn to the Agency and thanked the developer for getting the support of the labor union, which was very important to the Commission. Mr. Romero put forth a motion to adopt item 4 (g).

Commissioner Covington stated she concurred with Commissioner Romero on the wonderful design and that she assumed that the site was where the former Esprit outlet was with the restaurant on the back, and that she was pleased to hear that a restaurant was part of the proposed new development. (Agency staff gave an affirmative nod.) Ms. Covington stated she thought the design was wonderful and the open space was great, and that she particularly liked the reflection of the water on the colored glass proposed for the building. Ms. Covington stated she was happy to see that finally, something worthy would be built on Terry Francois Boulevard, and that his family would be very pleased with the proposed development. Ms. Covington seconded Commissioner Romero's motion to adopt item 4 (g).

Commissioner Breed inquired about the retail space and asked if there was a possibility for an Esprit store or a similar establishment. Ms. Breed stated she was jesting about the Esprit store.

Ms. Amy Neches, Senior Project Manager, stated that Esprit did not exist in the United States any longer as it had moved its operations to Hong Kong, but that the likely retail use within the proposed development would be service retail like restaurants and sundry shops to serve workers on the nearby UCSF and bio-technology uses. Ms. Neches stated that the Agency had focused very hard, because of the great success and the loss of 42 Degrees, which was a very nice restaurant, in making sure that there would be one nice restaurant space that would be a destination, but expected that the rest would be service retail.

Commissioner Breed stated that the architectural renderings and model were done very well and that she was excited to see a wonderful design that would bring a lot of light into the space with gorgeous landscaping. Ms. Breed stated she supported the project and really appreciated the detailed drawings and the great job by Agency staff and the developer, and that she looked forward to the completion.

Commissioner Singh stated he agreed with his fellow Commissioners on the elegant design and that he appreciated everyone's hard work. Mr. Singh stated he saw the diversity of the development team, and asked what the total value of the proposed development was, and how much of the work was allocated to Indian-American firms.

Ms. Neches stated that the entire development cost, comprising of the soft costs, land acquisition, and construction costs would be approximately \$90 million. Ms. Neches stated that the contracts for the development team represented a portion of the soft costs, which were the professional costs, and the bulk of the \$90 million estimated total development costs would represent the construction costs, which had not been contracted for yet.

Mr. George Bridges, Contract Compliance Specialist, stated that the cost of the professional services was about \$4 million, of which \$1.6 million was contracted to the Minority/Women-Owned Business Enterprises (M/WBE). The structural portion was about \$575,000 and 35% of that amount, or more, would go toward M/WBE firms.

Commissioner Singh stated he recalled that there were 1,400 parking spaces for the proposed development, and asked how many spaces were devoted for the general public.

Ms. Neches stated there were actually 630 parking spaces, and about 50 retail parking spaces would be for the general public, with the majority of the parking spaces for the workers. Ms. Neches stated it was anticipated that most of the workers would utilize public transit because the site was only a block away from the Third Street Light Rail.

Commissioner Singh stated he recalled the gentleman from the Labor Council stated that all of the workers would be San Francisco residents, and requested verification.

Ms. Neches stated that as was indicated earlier, the proposed development would be a union job, and there was a workforce outreach program, with a goal of 50% of the construction workforce being San Francisco residents. Ms. Neches stated that the developer had worked very closely with the Agency's Contract Compliance staff, and expected that they would continue to meet their goals.

Commissioner Singh thanked Ms. Neches for her responses and stated that he supported the project.

President Peterson stated that the proposed development was a quality project and the design looked terrific. Mr. Peterson commended Ms. Neches for the well thought out and thorough presentation. Mr. Peterson stated he was sure that he spoke for all of the Commissioners, that when developers provided proper schematics, drawings and models, it was very helpful to the Commission to visualize what the proposed development would look like. Mr. Peterson lent his support for the project.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 55-2006, CONDITIONALLY APPROVING A REVISED OVERALL DEVELOPMENT PLAN AND SCHEMATIC DESIGN FOR PARCEL X4 LOCATED AT 409 AND 499 ILLINOIS STREET IN MISSION BAY SOUTH PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH X-4 DOLPHIN LLC, A DELAWARE LIMITED LIABILITY COMPANY AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h) Resolution No. 56-2006, Authorizing a Joint Community Facilities Agreement concerning the proposed Community Facilities District No. 2006-1 (Rincon Hill) with the Association of Bay Area Governments (ABAG) Finance Authority for nonprofit corporations for the purpose of defining eligible redevelopment improvements; South of Market Redevelopment Project Area and Yerba Buena Center Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Alex Torres, John Elberling, Charles Range

Commissioner Singh stated he was glad to see wide support for the proposed community facilities district, and put forth a motion to adopt item 4 (h).

Commissioner Covington stated she noted that originally, Bindlestiff Studio was going to raise between \$500,000 to \$750,000 for the theater build-out, and that to date, they have raised \$40,000. Ms. Covington asked how much time was given to Bindlestiff Studio to raise the funds.

Mr. Mike Grisso, Project Manager, stated that \$40,000 was the amount raised by Bindlestiff Studio, to date. Mr. Grisso stated that the grant agreement with Bindlestiff Studio was entered into in 2003, and since then, the agreement had been extended by the Agency Commission, and it had expired at the end of 2005, so it had been about two and a half years since the grant agreement was entered into.

Commissioner Covington asked if it was staff's recommendation to give Bindlestiff Studio \$225,000 from the \$5 million tax-exempt bonds to be issued by the Association of Bay Area Governments (ABAG).

Mr. Grisso stated that the \$225,000 amount was the funds already provided to Bindlestiff Studio under the grant agreement for predevelopment costs, including fundraising consultants, architectural fees, and organizational development fees to get them ready and to help them raise the funds to move in to the new theater space. Mr. Grisso stated that the community improvement funds that would come from Rincon Hill would be a separate source of money and at this time, staff was only proposing that the Agency enter into an agreement to make Bindlestiff Studio and the Alice Street Community Gardens eligible to receive funds. Mr. Grisso stated that the Agency would certainly ask for as much funds as it could from the fund, but that decision would be subject to approval by the Board of Supervisors, and of course, there would be many other projects that would compete for the funds, so at this time, staff could not say specifically, how much would requested for Bindlestiff Studio.

Commissioner Covington stated that both groups were complimentary of staff's outreach efforts informing them of the possible availability of the funds. Ms. Covington asked what outreach efforts had been done for other groups that may be interested in applying for the funds.

Mr. Grisso stated that staff looked into all of the Agency-owned projects that would potentially be eligible for funding, and as far as he knew from staff's due diligence, these were the only two groups that were currently working on Agency-assisted projects that would be eligible for the funds. Mr. Grisso stated of course the Agency owned other properties, but did not think there were other projects that would be eligible under the program.

Commissioner Covington asked if new groups would be precluded from coming into Agency-owned buildings that could then apply for funds, because it would seem that only two groups would qualify and therefore, any funds available would be split between the two groups.

Mr. Grisso stated that staff was considering the timing of the bond issuance, which were going to be issued on April 21st, and so while future projects would be eligible for subsequent bond issuances, for this initial bond issuance, it made sense to do projects that were already underway or could use the funds quickly rather than future projects that were still in the conceptual stage.

Commissioner Covington asked if there was \$5 million available for two groups.

Mr. Grisso stated that there would be \$1.1 million available for the entire South of Market community improvement fund, and the two groups were the Agency projects that staff would like to be eligible to receive some of the funding, but the Board of Supervisors would make the decision and it

would be considering not just the two Agency projects, but also other publicly-owned projects, such as parks and schools, streetscape improvements and affordable housing that would also be eligible for the funding.

Executive Director Rosen stated that the Agency was informed by Supervisor Daly's Office and the City Attorney that the projects had to meet the criteria both enumerated in the Rincon Hill program and that they are publicly-owned. Ms. Rosen stated that the Commission was being asked to authorize an agreement, because these were the only two facilities that the Agency owned that met the criteria, and there would likely be a lot of other public agencies who own properties who meet the criteria. In addition, there would be the opportunity for funding through other sources from the Rincon Hill Community Facilities District. Ms. Rosen stated the Agency was confident that both groups would compete well given their importance to the community, and she hoped that once Bindlestiff Studio got such an award, that would help them achieve other fundraising goals.

Commissioner Covington stated she really hoped that the funding would provide the catalyst for Bindlestiff Studio to raise the money that they needed. Ms. Covington seconded Commissioner Singh motion to adopt item 4 (h).

Commissioner Romero stated his support for the proposed agreement because of the potential great benefit for Bindlestiff Studio. Mr. Romero stated that the Commissioners had seen the new Plaza Apartments, which he was glad, turned out very good, but that the new Commissioners were probably not aware of its history. Mr. Romero stated that the Plaza project was originally proposed by a nonprofit developer, and the Agency Commission, with its composition at that time, basically took that project away from that nonprofit developer, and formed a development entity within the Agency for the first time in its history, and the Agency developed the Plaza Apartments itself and it turned out great. Mr. Romero stated that his point in raising the issue was that when the matter was before the Commission, there were literally hundreds of community folks advocating for the project, and at least a hundred people supporting Bindlestiff Studio, and the Commission voted the project down in order for the Agency to develop the project itself. Mr. Romero stated that he was not trying to open-up old wounds as the project turned out to be successful, but the Agency had taken a lot of air out of the Bindlestiff Studio balloon, in spite of the hundreds of people in support, the Agency delayed that project for at least one, if not two years. Mr. Romero stated he knew that Bindlestiff Studio lost ground and support, as well as momentum as a result of that delay, which was the Agency's doing. Mr. Romero stated he was in support of the proposed agreement and hoped that it would result in some money to help Bindlestiff Studio get back on track, and that the Commission should take into consideration when the Agency looked at how much money Bindlestiff Studio had raised, the two year delay in potentially having the theater space.

Commissioner Breed stated that as a director of a community-based arts facility, it was extremely hard for community arts organization to provide good programming, and in addition to that, to be asked to also be a developer or to raise funds for build-out costs and other things. Ms. Breed stated she worked extremely hard to obtain funds to do a number of capital improvements, which was extremely time-consuming and interfered with providing great program opportunities. Ms. Breed stated she was glad that staff had reached out and try to provide the necessary support in order to help make the Bindlestiff Studio project a reality. Ms. Breed stated that even with the support of the Agency and additional revenues, the fundraising would still be difficult for a group that was there to do performances. Ms. Breed stated that a lot of money had been spent on development plans, concept plans and fundraising and Bindlestiff Studio was not successful in raising funds because primarily, they were there to do performances and provide that community service. Ms. Breed stated she really appreciated the Agency stepping up and providing the support they need financially, and whatever the Agency could do to help make the theater a reality, she was in total support. Ms. Breed stated she would also ask staff to be completely realistic with the Commission, because even with the potential funding support from the proposed agreement, there would still be additional support needed in moving Bindlestiff Studio forward. Ms. Breed stated she wanted her fellow Commissioners to know that even with the potential funding, the Agency's job with supporting Bindlestiff Studio was not done, and that she wholeheartedly supported the proposed agreement.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (h) RESOLUTION NO. 56-2006, AUTHORIZING A JOINT COMMUNITY FACILITIES AGREEMENT CONCERNING THE PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2006-1 (RINCON HILL) WITH THE ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG) FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS FOR THE PURPOSE OF DEFINING ELIGIBLE REDEVELOPMENT IMPROVEMENTS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i) Resolution no. 57-2006, Approving Westfield Metreon LLC and FC Metreon, LLC as permitted transferees under the Central Block 2 Entertainment and Retail Lease dated May 9, 1997, between the Agency as landlord of the Metreon site and Yerba Buena Entertainment Center LLC as tenant; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Michael Theriault, April Veneracion, Chris Durazo, John Elberling, Charles Range, Don Marcos, Luisa Antonio, Angelica Cabande

Commissioner Breed stated she knew that the sidewalk and pedestrian safety issue at the Community College building brought up by Mr. John Elberling was not before the Commission, but wanted to request staff to look into the matter. Ms. Breed stated that with regard to the employment issues brought up by members of the public, she was aware that the South of Market Employment Center had referred numerous people and provided support and employment training for folks who had never worked before, and if that was not the case, she would suggest that people with concerns to contact Agency staff to report instances where people had experienced otherwise. Ms. Breed stated that in the meantime, for employment opportunities, people should be referred to the South of Market Employment Center, which from her understanding, had placed numerous folks in that area, including Sony Metreon, which she frequented along with the theaters and Jillian's Restaurant. Ms. Breed stated she was disappointed when the Metreon first opened to see a number of the restaurants and shops that were there, and although she was excited about the theaters, Jillian's Restaurant, and Just Desserts, she was extremely disappointed with the rest of the establishments, because she had expected them to be attractive to people of her generation. Ms. Breed stated that with her frequent visits to numerous Westfield mall locations, she was excited about the new opportunity of Westfield coming on board, and that she was willing to forgive them for the Bloomingdale's office tower error, but in moving forward, she thought this was a great opportunity for Westfield to come in and institute changes that would make the Metreon facility a more attractive place for the eating and shopping experience, with all of the surrounding cultural facilities and visitors to the area. Ms. Breed stated she looked forward to that eventuality, and that she was hoping that folks currently employed who were doing a decent job, would be offered additional employment opportunities in moving forward. Ms. Breed stated she could not wait until the Bloomingdale's project opened, and put forth a motion to adopt item 4 (i).

Commissioner Singh stated he agreed with Commissioner Breed's statements, and as a couple of the public speakers stated, he also agreed that it was difficult for some people to get the entry-level jobs because of language challenges, a weakness which he shared, and that people who did not interview well for the jobs, but were hard workers nonetheless, should be given equal opportunities. Mr. Singh stated he would like to see most of the jobs filled by the South of Market Employment Center and acknowledged Mr. Don Marcos, the director of the employment center. Mr. Singh seconded Commissioner Breed's motion to adopt item 4 (i).

Commissioner Covington asked if the Millennium Partners was the same group that was responsible for Yerba Buena Lane, and requested verification that Millennium Partners was selling the Metreon.

Ms. Amy Neches, Senior Project Manager, stated that Millennium Partners was the same group that was responsible for Yerba Buena Lane, and that Millennium Partners was only selling their interest in the Metreon.

Commissioner Covington asked if the Commission should be made aware of anything going on in Yerba Buena Lane.

Ms. Neches stated there was nothing else currently, and Millennium Partners actually just bought the interest that they did not already own at Four Seasons, and Millennium Partners had been the Agency's partner in Yerba Buena Center for a long time and remained committed to the area, and it was simply the Metreon asset that was going to be transitioned.

Commissioner Covington requested verification that the Agency had never received a percentage rent from the Metreon.

Ms. Neches affirmed that the Agency had not received a percentage rent, rather the Agency received a base rent and the Gardens payment, but the project had not earned enough for the Agency to receive a percentage rent, but the Agency would receive a participation payment as part of the closing.

Commissioner Covington stated that the retail businesses as well as the restaurants in the Yerba Buena Gardens seemed to be an ongoing concern, and the two café retail spaces recently approved by the Commission had some of the same challenges as the new spaces in the Metreon would have, and asked if the Agency had developed some kind of progressive overall strategy to ensure that the business could thrive. Ms. Covington stated she recalled that the Discovery store was in the Metreon complex, but one had to go inside the Metreon to access the Discovery store, and there had never been any street access except on the corner, and it seemed that there were a lot of missed opportunities.

Ms. Neches stated it was a fair assessment that there were missed opportunities in an area that was certainly busy, and as mentioned earlier, the theaters were very successful with literally hundreds of thousands people going to the movies, and with people traversing the complex, it should be possible to capture more of the traffic and do more creative retailing and marketing. Ms. Neches stated that the Agency was excited about the partnership with Westfield and Forest City, who are really the leading edge of retail development and retailers, and working with them in partnership to think creatively about what changes could be made, both in terms of the retailing mix, which they were experts on, and in terms of physical

alterations to the complex that would open it up more and make it more inviting. Ms. Neches stated she thought that would be the next step as the project moved forward after getting through the initial review of the proposed changes.

Commissioner Covington thanked Ms. Neches for her explanation, and stated that she asked the questions because she wanted to make sure that in everything that the Agency did, that the Agency provided the people it did business with, every opportunity to be very successful, because if they were very successful, then the Agency could get its percentage rent, which would make her and the Commission very happy.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT ITEM 4 (i) RESOLUTION NO. 57-2006, APPROVING WESTFIELD METREON LLC AND FC METREON, LLC AS PERMITTED TRANSFEREES UNDER THE CENTRAL BLOCK 2 ENTERTAINMENT AND RETAIL LEASE DATED MAY 9, 1997, BETWEEN THE AGENCY AS LANDLORD OF THE METREON SITE AND YERBA BUENA ENTERTAINMENT CENTER LLC AS TENANT; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (j) Workshop on the Agency's Fiscal Year 2006/07 Budget

Presenters: Gaynell Armstrong, Stanley Muraoka, Amy Neches (Agency staff)

Speakers: Ace Washington, Angelo King

Commissioner King stated he was very disturbed with the budget workshop because in his 26 years on the Agency Commission, he had never seen a workshop where no community folks were in attendance. Mr. King stated he was not sure what kind of outreach was done to the various communities, but this was the first time that the Agency was considering its proposed budget and there was no community participation. Mr. King stated that Commissioners should resign because they had no input from the community about the Agency's budget and that there were only five people from the community in attendance for the budget workshop. Mr. King stated he noted that there was no one from the Western Addition, only two or three people from Hunters Point, and all the Commission had was the staff presentations, and that he was not sure what kind of feedback there was from the community. Mr. King asked if the various community groups had discussions about the Agency's proposed budget, and if so, why they did not attend the Commission's budget workshop.

Ms. Gaynell Armstrong, Project Manager for the Western Addition, stated that the Western Addition Citizens' Advisory Committee (CAC) had discussion about the Agency's proposed budget.

Ms. Amy Neches, Senior Project Manager for Mission Bay, Rincon Point – South Beach, and Yerba Buena Center, stated that the respective CAC's had been informed about the proposed work program and budget for the upcoming 2006/2007 fiscal year. Ms. Neches stated she did know why PAC or CAC members did not attend the Commission budget workshop.

Mr. Stanley Muraoka, Project Manager for the Hunters Point, India Basin Industrial Park, and Bayview Hunters Point Survey Area, stated that the Bayview PAC had regular discussions about the work program and proposed Agency budget.

Commissioner King stated he recalled that he had requested a workshop about the Agency's budget in the Bayview community, and asked if a workshop had been conducted.

Mr. Muraoka stated that a budget workshop specifically, had not been conducted in the community, but the Bayview PAC had been informed and discussed the Agency's proposed budget.

Commissioner Romero stated thanked staff for the good presentations and that he was sorry there were not more people from the community, but that the Agency could not force people to come to the Commission meetings. Mr. Romero stated that with all of the Agency's current activities in the broader Bayview Hunters Point area, it was sometimes hard to follow all of the work activities that the Agency was involved in, and inquired about the proposed landscaping work on Cargo Way and asked what project area specifically, Cargo Way was in.

Mr. Muraoka stated that Cargo Way was the northern boundary of the India Basin Industrial Park Redevelopment Project Area, and that the landscaping work from Third Street through Jennings Street along Cargo Way was work that was part of the San Francisco Bay Trail project, which was sponsored by the Mayor's Office of Greening and the Neighborhood Parks Council to designate the area as a "blue-greenway." The Commission approved the award of the Bay Trail grant to be spent for the landscaping on Cargo Way. Mr. Muraoka stated that he neglected to mention that for the Hunters Point and India Basin Industrial Park project areas, staff was not requesting new funds for the 2006/2007 fiscal year, because there were existing funds that would be utilized to complete the projected work program for the two project areas.

Commissioner Romero asked what the “V” designations meant on the India Basin Industrial Park map.

Mr. Muraoka stated that the “V” designations meant vacant, and represented the three vacant parcels in the India Basin Industrial Park project area.

Commissioner Romero asked what authority the Agency had over the vacant lots in the India Basin Industrial Park project area.

Mr. Muraoka stated that the Agency had no direct authority over the vacant lots, which were privately owned, and staff was trying to facilitate their development by providing technical assistance to the owners. Mr. Muraoka added that in the area shown as Northern Gateway, staff had initiated a series of community workshops, working with the Mayor’s Office of Economic and Workforce Development, Planning Department, Port of San Francisco and the Bayview PAC, to look at the land uses in the area and determine the appropriate development scenarios. Mr. Muraoka stated that as an example, the vacant lot at the corner of Third Street and Cargo Way and the two adjoining lots to the south, comprised of approximately eight acres and represented a significant development opportunity in the community.

Commissioner Romero asked how long had the India Basin Industrial Park Redevelopment Project Area existed, and if the future development on the remaining vacant parcels would have to be in compliance with the redevelopment plan.

Mr. Muraoka stated that the India Basin Industrial Park Redevelopment Plan was originally adopted in 1969, and future development on the remaining vacant parcels would have to be in compliance with the redevelopment plan.

Commissioner Romero stated he recalled that there was a proposed development of a technology center a few years ago for the vacant lot at the corner of Third Street and Cargo Way, and asked for an update.

Mr. Muraoka stated that the Commission approved a proposed development for a computer-server facility with an office component, which was stalled at the Board of Supervisors because of a controversy with the computer-server aspect of the development, and the parcel remained vacant today.

Executive Director Rosen stated she wanted to add that as the budget memorandum stated, the old India Basin Industrial Park and Hunters Point redevelopment plans already had SB2113 plan amendments, and there could not be any indebtedness incurred for those project areas, except for the development of affordable housing consistent with SB2113. Ms. Rosen stated that the existing funds for the two project areas were tax increment

funds necessary to pay for the Agency's debt service for prior indebtedness. Ms. Rosen stated that for the Bayview Hunters Point Survey Area, part of which was scheduled for plan adoption as early as this coming May, would not generate tax increment in the next fiscal year because it was not yet an approved project area. The proposed budget for this Survey Area including the budget for the Bayview PAC and the planning for Area C along the shoreline, assumes a general fund appropriation from the City to complete the planning work and continue the support to the PAC.

Commissioner Breed stated she was a little disappointed because she expected to hear about the various projects and how the projects related to the actual budget numbers, and she was assuming that the Commission would be provided with the information. Ms. Breed stated that staff had previously presented workshops on the various project and survey areas with the same information that was presented at the budget workshop, and asked if the Commissioners were supposed to put the pieces together themselves as to how each project area budget related to the Agency's overall budget, and that in addition, the budget workshop did not tell her anything about staff or the Agency's administrative costs. Ms. Breed stated that for example, she was concerned about the Western Addition budget in particular the personnel and administrative costs, which were extremely high compared to other areas, and there were a lot of things in the budget that she did not understand, and was expecting the workshop to provide Commissioners with relevant information. Ms. Breed asked the Executive Director for more information or should Commissioners compile a list of their questions.

Executive Director Rosen stated that the budget memorandum and overview was intended to help Commissioners interpret the information on the proposed budget. Ms. Rosen stated that with respect to the question about personnel and administrative costs, the information was enumerated in the budget document, beginning on page 77 that contained a line item for the administrative expenditures. Ms. Rosen stated the Commission was provided with an informational memorandum on the Western Addition a few weeks ago, which set forth the proposed expenditures for the funds that had already been appropriated and that were in the Agency accounts to help achieve the remaining program in the Western Addition. Ms. Rosen stated she was available to meet with Commissioner Breed personally to answer her questions, or if she (Ms. Breed) had questions at that time, staff could respond, or Ms. Breed could provide a list of her questions and staff could do another presentation and provide more information.

Commissioner Breed stated she just expected some of the work program to be broken down with more detail, and asked if the current budget format would be submitted to the Mayor's Office.

Executive Director Rosen stated that the current budget format, which was the traditional format, would be the budget submitted to the Mayor's Office, and subsequently to the Board of Supervisors, which was familiar with the Agency's budget format, which also met the requirements of State law. The Board of Supervisors' budget analyst was also familiar with the format, and they would conduct their analysis and recommendation based upon the budget format. Ms. Rosen stated that if the activities the Commission heard described were not enumerated in the project summaries, it meant one of two things: it was either a private development that the Agency was not funding at all and it was just anticipated activity in the project area, or if it was an Agency activity not enumerated in the project summaries, it meant that either the Agency already funds in hand, or that the Agency was in the planning phase and would be seeking some capital funds at some later date. Ms. Rosen stated that should provide the information about all of the program activities, and staff would be happy to augment the provided information in any way that would be helpful to the Commissioners.

Commissioner Breed stated she understood that, and in looking at the budget summaries, she would cite as an example the listed public improvements Yerba Buena Center, where Jessie Square was listed, but it was not clear as to what funds were going to specific projects, and that she expected more clarifications about the respective project budget summaries presented at the budget workshop. Ms. Breed stated that for example, the line item for the Museum of the African Diaspora in the amount of \$1.5 million, was extremely clear, and likewise the line items describing the Agency's expenditures for the Jessie Square Garage and the revenue stream was also very clear. Ms. Breed stated that was not the case with the public improvements line item, which listed a number of projects, but was not clear as how much was being expended. Ms. Breed asked if there was a budget that detailed exactly what specific groups or entities would be getting directly based on the Agency's proposed budget, because she was not exactly clear on how groups like the various cultural institutions received funds from the Agency.

Executive Director Rosen stated she wanted to clarify that the Agency's budget was a planning tool and not an authorization to expend funds for that purpose. In other words, the Commission approved an operating agreement with Zeum that set forth how much funds Zeum would get, then the Agency would seek the funds to comply with the contract, but the Commission had separately authorized the contract. If staff put planning dollars in for the Jessie Square improvements, it was staff's estimate of the amount needed for capital improvements, but staff would bring that particular capital improvement to the Commission with an estimated cost, and then that would go out to bid and there would be an actual line item construction contract. Ms. Rosen stated the budget was to estimate the costs for known projects or existing multi-year contracts, for which the Agency had to seek funds

annually in order to meet legal commitments, but it did not authorize the Agency to expend funds other than those funds specifically authorized by the Commission.

Commissioner Breed stated she definitely understood that, and there could be further discussion at another time, but personally, she would have preferred a more specific budget, and as an example, the line item for Zeum, which listed \$600,000 and another line item for insurance at \$100,000, it was clear as how much was being estimated. Ms. Breed stated that the point of the annual budget was to give the Commission an idea of how much funds the Agency might have available based upon the anticipated projects. Ms. Breed asked if community groups were given opportunities to provide input and make recommendations to the Agency's proposed budget.

Executive Director Rosen stated that the project managers did discuss the projected work program and anticipated budget as well as anticipated funds potentially available with the respective advisory groups, and also took into account any funding requests they received.

Commissioner Breed stated that her experience when she served on the Western Addition CAC, they were not allowed to make recommendations to the Agency's budget when they tried to, and asked how that had changed on the current proposed budget. Ms. Breed asked if the CAC had made recommendations to the budget, because if they had, she believed they would want more than \$2,000 allocated to the CAC budget, and she wanted some feedback from Ms. Gaynell Armstrong.

Ms. Armstrong stated that the CAC was scheduled to meet in March to review the budget for Western Addition, but due to a lack of a quorum, the meeting was cancelled and rescheduled for April 20th, so the CAC had not made recommendations to the budget, because as a group, they have not had the opportunity to do so.

Commissioner Breed stated she also recalled when she was on the CAC, the budget was really confusing and difficult to understand, and asked if the budget would be explained in full detail to the CAC.

Ms. Armstrong stated there had been a couple of workshops on the budget, and a third workshop was scheduled to discuss projects with specific funds appropriated for those specific projects.

Commissioner Breed stated she understood there would be an additional budget workshop, and following that, there would be an action item for the Commission to approve the budget, so she would pull together her in-depth budget questions and discuss them in detail, because she felt from her experience in dealing with the Agency's budget, it had always been a very

sensitive matter primarily because things were not clarified. Ms. Breed stated she wanted to make sure that in moving forward, she was completely comfortable with the Agency's budget, and that she understood the budget summaries and how they related to specific project expenditures. Ms. Breed stated that the proposed budget in its current format, just did not provide the clarity or what she needed to feel comfortable to support the budget in the future, so she would make sure that before the next budget workshop, she would get more clarification.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Charlie Walker, Ace Washington, Michael Nulty, Regina Davis, Barbara Cohen, Angelo King

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

Executive Director Rosen stated she wanted to inform Ms. Barbara Cohen and others that she would be available to discuss the Bayview Hunters Point Plan Amendment as soon as the Commission took a break before the Closed Session meeting.

- Executive Director Rosen reported that the Bayview Hunters Point proposed Redevelopment Plan Amendment was scheduled for the Board of Supervisors' Land Use Committee on April 19th. Supervisor Maxwell at the Board of Supervisors meeting earlier in the day, announced her intention to add clarifying language to the ordinance that would adopt the plan amendment regarding limitations on the use of tax increment funds for the stadium project, and that she would speak with Ms. Barbara Cohen about that.
- Board of Supervisors' Budget and Finance Committee was to hear the Bayview Hunters Point Plan Amendment on April 26th, and the full Board of Supervisors, which must sit as a Committee of the Whole to consider the adoption of the plan amendment, was scheduled to hold its duly noticed public hearing on May 9th, as the first of potentially two, and possibly three, public hearings of the full Board of Supervisors. Ms. Rosen stated there would be ample opportunity for public input and

participation, and the Agency looked forward along with the Bayview PAC to bring the plan to fruition.

- PIDC regular board meeting scheduled for Tuesday, April 25th at 5:00 p.m., in the Agency's new offices at 1 South Van Ness Avenue, 5th floor.
- Fillmore Farmers' Market was opening for the spring season on Saturday, April 29th.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington reported that when she attended the San Francisco Giants opening day baseball game, she visited the Agency's Harbormaster and had a hard-hat tour of the new harbor facility, which looked fabulous, and that she was excited and looked forward to the opening.
- Commissioner Covington stated that it would be very helpful, in her ongoing advocacy for the Agency to have better public relations with the people that the Agency served, it would be helpful for the Commission President to include in his welcome remarks at the beginning of the Commission meetings, to explain to the public how the public comment process worked, so that members of the public would not feel that the Commission was somehow stonewalling them, and that they could certainly pose questions, but typically, the public's questions would not be responded to directly by the Commission. Ms. Covington stated she wanted to point out to the public that Commissioners had the prerogative to ask questions, and she would ask the Executive Director if tax increment funds could be used to build a new stadium.

Executive Director Rosen stated that the Bayview Hunters Point Redevelopment Plan Amendment did not commit the expenditure of tax increment funds for any project, and that the language referred to by Ms. Barbara Cohen from the plan amendment document, was in a description of the activity nodes, which were illustrative projects and not commitments. Ms. Rosen referred to the draft plan amendment, specifically page 31, and read the following from the Candlestick Point Node description: "Assist with the development of a new San Francisco 49ers football stadium and commercial project consistent with Propositions D and F that San Francisco voters approved on June 3, 1997." Ms. Rosen stated that any change in the project as defined in Propositions D and F would require a vote of the Board of Supervisors, and any allocation of tax increment funds for any project, would require a vote of the Agency Commission and the Board of Supervisors. Ms. Rosen stated that for planning purposes, the Report on the Redevelopment Plan Amendment transmitted to the Board of Supervisors,

estimated based on the original plan approved by Proposition D, that there would be approximately \$18 million of tax increment generated, and again, for planning purposes, \$9 million of the \$18 million was allocated for affordable housing development, and up to \$9 million was potentially available for public improvement infrastructure near the stadium, but that there had been no commitment to utilize tax increment funds. Ms. Rosen stated that Supervisor Maxwell intends to introduce an amendment to the ordinance adopting the plan amendment, which would state that the Board of Supervisors would only consider tax increment generated in the Candlestick Point Node, and not tax increment generated in the broader Bayview Hunters Point Project Area for allocation to a stadium-related project. Ms. Rosen stated that since there was currently no proposal to commit funds and the plan did not commit any funds, and any decision to commit any funds whatsoever, would be made in the future by the Agency Commission and the Board of Supervisors.

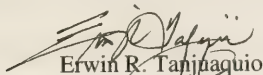
10. CLOSED SESSION

- 10 (a)** Pursuant to Government Code §54956.9: Conference with legal counsel regarding anticipated litigation for one potential case.

11. ADJOURNMENT

It was moved by Ms. Covington, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:52 p.m.

Respectfully submitted,


Erwin R. Tanjunaquio
Agency Secretary

APPROVED:

May 2, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
4TH DAY OF APRIL 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 4th day of April 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

AUG 23 2006

London Breed, Vice-President

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE MARCH 21, 2006 COMMISSION MEETING

- 3 (a)** Resolution No. 39-2006, Authoring the engagement of UBS Securities LLC, a Delaware limited liability company, and Siebert Brandford Shank & Co., LLC, a Delaware limited liability company, as the underwriters for the anticipated issuance of the 2006 Tax Allocation Bonds by the Redevelopment Agency of the City and County of San Francisco

Executive Director Marcia Rosen stated that as the Agenda indicated, staff would recommend that the Commission table the matter.

Presenters: Mario Menchini (Agency staff)

Commissioner Romero put forth a motion to table item 3 (a). Commissioner Covington seconded the motion.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT), THAT ITEM 3 (a) RESOLUTION NO. 39-2006, AUTHORIZING THE ENGAGEMENT OF UBS SECURITIES LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND SIEBERT BRANDFORD SHANK & CO., LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS THE UNDERWRITERS FOR THE ANTICIPATED ISSUANCE OF THE 2006 TAX ALLOCATION BONDS BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE TABLED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meeting of March 21, 2006

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF MARCH 21, 2006, BE ADOPTED.

REGULAR AGENDA

- 4 (b)** Resolution No. 47-2006, Authorizing a Tax Increment Loan Agreement with the Prize Group, LLC, a California limited liability company, for an amount not to exceed \$100,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Loan Program, for rehabilitation activities at the Hillsdale Hotel located at 51 Sixth Street; South of Market Redevelopment Project Area

Presenters: Lucia Mele (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (b) and stated that it sounds like very much need repair, even potentially dangerous situation with the elevator malfunction. Mr. Romero stated this was a good purpose for the loan and the conditions were good.

Commissioner Singh

Commissioner Covington requested verification that after a period of time, the loan would be completely forgiven. Ms. Covington asked what the loan term was for the Hillsdale Hotel.

Ms. Lucia Mele, Development Specialist, affirmed that all of the Single Room Occupancy (SRO) rehabilitation loans were forgiven if the borrower complied with all of the loan terms, which were chiefly to keep the units affordable. Ms. Mele stated that the loan term for the Hillsdale Hotel was 15 years.

Commissioner Covington asked how the \$100,000 amount as the maximum loan amount was arrived at and by whom.

Ms. Mele stated that as she stated earlier, the SRO loan program was fully vetted in the community and the original maximum loan amount was \$250,000, but at the request of the hotel owners and residents, both of the minimum and maximum loan amounts were reduced in order to get more people to participate in the loan program. Ms. Mele stated that the desired results were achieved because three complete loan applications were submitted after the lower loan amounts were established.

Executive Director Rosen stated that the SRO loan program, which was targeted to privately-owned residential hotels, was adopted by the Commission following a thorough presentation and debate. Ms. Rosen stated that one of the main reasons for adopting the loan program was as an incentive program for private owners to bring their buildings up to code because they could only apply for the loan program if their buildings were already up to code. Ms. Rosen stated that the Agency did not want to reward owners who were not maintaining their buildings, but did want to encourage owners to make improvements beyond what the Building Code required that would improve the quality of life for the SRO residents.

Commissioner Covington asked how long staff anticipated the \$1.9 million fund to last.

Executive Director Rosen stated that the Agency was looking at ways of increasing participation in the loan program. The proposed loan for the Hillsdale Hotel was the third loan, and staff was hoping that other owners would participate now that they had seen the success of the loan program. Ms. Rosen stated she was not sure if Commissioner Covington had an opportunity to see the Alder Hotel next to the new Plaza Apartments at the grand-opening, but the Alder Hotel took advantage of the Agency's other property improvement loan program and the improvements were beginning

to make a positive impact on Sixth Street. Ms. Rosen stated that the commercial loans had been very successful, and staff was hoping that the residential component would pick up apace, and staff thought that there was sufficient funding for a number of additional loans, maybe a dozen more.

Ms. Mele stated that the Agency had exactly 12 loan applications so far under the SRO loan program.

Commissioner Covington stated that it was a wonderful loan program and the area was looking fabulous all coming along with the street improvements and other amenities. Ms. Covington stated she was happy to see that the Agency was mindful of people in dire straits and doing something to improve their quality of life.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 47-2006, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH THE PRIZE GROUP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR AN AMOUNT NOT TO EXCEED \$100,000, PURSUANT TO THE SINGLE ROOM OCCUPANCY HOTEL REHABILITATION LOAN PROGRAM, FOR REHABILITATION ACTIVITIES AT THE HILLSDALE HOTEL LOCATED AT 51 SIXTH STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (c) Resolution No. 48-2006, Authorizing the Executive Director to enter into a Grant Agreement with the Association of Bay Area Governments (“ABAG”) to accept and expend a grant administered by ABAG in an amount not to exceed \$75,000 under the Bay Trail Project to prepare a planning study along Cargo Way; India Basin Industrial Park Redevelopment Project Area

Presenters: Alicia Bert (Agency staff)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. BREED ABSENT), THAT ITEM 4 (c) RESOLUTION NO. 48-2006, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A GRANT AGREEMENT WITH THE ASSOCIATION OF BAY AREA GOVERNMENTS (“ABAG”) TO ACCEPT AND EXPEND A GRANT ADMINISTERED BY ABAG IN AN AMOUNT NOT TO EXCEED \$75,000 UNDER THE BAY TRAIL PROJECT TO PREPARE A PLANNING STUDY ALONG CARGO WAY; INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, BE ADOPTED

4 (d) Workshop on the Agency's Fiscal Year 2006/07 Budget

Presenters: Mario Menchini, Olson Lee, Nicole Franklin, Lisa Zayas-Chien, Mike Grisso, Tom Evans (Agency staff)

Commissioner Yee stated that the proposed 2006/07 budget included \$34 million in SB2113 funds and asked how much more was remaining.

Executive Director Rosen stated that staff was anticipating additional SB2113 amendments for the Yerba Buena Center and Western Addition A-2 redevelopment project areas after the non-residential activities were completed. Ms. Rosen stated as the Commission would recall, once a redevelopment plan was amended, all of future tax increment funds must be pledged solely for the development of affordable housing, so the SB2113 amendments had been timed in relationship to the completion of non-housing work. Staff anticipated that by 2009, when the non-housing work was scheduled to be complete in Yerba Buena Gardens and Western Addition, staff would propose SB2113 amendments in these project areas, which would provide additional debt capacity for affordable housing development.

Commissioner Yee stated he recalled that 75 acres comprising Parcel A of the Hunters Point Shipyard had been conveyed to the Agency by the U.S. Navy, and asked if 25 acres or the whole 75 acres would be transferred to BVHP/Lennar.

Ms. Nicole Franklin, Project Manager, stated that two buildings within Parcel A, buildings 101 and 110 where the Shipyard artists reside, would remain under the Agency's ownership and leased by Lennar. Ms. Franklin stated that of the 75 acres transferred to Lennar, roughly 30 acres would be for development by Lennar, and the remaining acreage constituted the Agency's public parcels, which were transferred temporarily so that Lennar could do the horizontal infrastructure improvements like roads and open space.

Commissioner Yee referred to the rendering of the proposed low-income housing for Parcel Q in the Western Addition, and asked if the depicted pink color on the rendering would be the final color of the development.

Mr. Olson Lee, Deputy Executive Director for Housing, stated that the illustration was the initial rendering for the proposed project and thought that the depicted pastel color was nice and would make the development stand out. Mr. Lee stated that the Commission would have an opportunity to see the proposed color scheme when the basic concept drawings come before the Commission.

Commissioner Romero stated that the budget overview was good as well as the staff presentations. Mr. Romero inquired about the Transbay Redevelopment Project Area and requested verification that the irregularly-shaped parcel on Spear and Folsom Streets, which was shaded, was owned by the Agency, and that the parcel would have to be developed in conjunction with the adjoining parcel just south of it.

Mr. Mike Grisso, Project Manager, affirmed that the irregularly-shaped parcel on Spear and Folsom Streets was owned by the Agency, and stated that the parcel would have to be developed in conjunction with the adjoining parcel in order to aggregate future development on the parcel. Mr. Grisso added that most of the parcels along Folsom Street were where the former freeway was located, and after demolition, resulted in the irregularly-shaped parcels.

Commissioner Romero asked if staff had selected an environmental consultant for the Visitacion Valley Survey Area and what was the schedule for completion of the Environmental Impact Report (EIR).

Mr. Tom Evans, Lead Planner, stated that Mr. John Wagstaff, a small environmental consultant from Berkeley, was selected to conduct the environmental review for the Visitacion Valley Survey Area. Mr. Evans stated that a draft EIR was expected to be completed by the end of 2006.

Commissioner Covington asked who owned the Schlage Lock site and if staff anticipated the Agency owning the land in the future.

Mr. Evans stated that the land was in split ownership, with a major portion owned by a large company named UPC who also owned a lot of land south of the site, in Brisbane, and the remainder of the land was owned by the parent company of Schlage, Ingersoll-Rand, based in one of the Carolina States. Mr. Evans stated that Ingersoll-Rand had not done much to the property other than pay taxes, and had not been interested in developing the parcel, particularly for housing, which the Planning Department had envisioned for the land. Mr. Evans stated that one of the reasons why redevelopment was considered as a tool to revitalize the area, was the possible use of eminent domain as a way of leveraging developer interest in a major portion of the survey area.

Executive Director Rosen stated that as Commissioners review the proposed budget, to please not hesitate to call on her with questions or concerns.

Commissioner Covington asked who was responsible for the Agency's public and press relations because she did not see a position listed in the proposed budget.

Executive Director Rosen stated that there was a public affairs position that had been vacant since the retirement of Agency staff. Ms. Rosen stated that in looking at the Agency needs combined with the demands of the Mayor's budget office that the Agency reduce its full-time equivalent employee count, she had proposed converting the public affairs position into a Staff Associate III, which would enable the person to do both public affairs and public relations work as well as more direct community relations working with the PACs and CACs and assisting the project managers, by having a broader job description for the position. That Staff Associate position was listed in the proposed budget, under Community and Economic Development.

Commissioner Covington stated she saw the Staff Associate III position listed. Ms. Covington stated that the Agency's needs for public relations was tremendous, because she did not think that the Agency did a very good job of communicating the Agency's successes, and that she would really like to see someone in the position, not a split position, but a dedicated position to generating stories about the good works that the Agency was doing. Ms. Covington stated there was an incredible fount of ill will towards the Agency out in the community, and anything that the Agency could do to minimize that, and really highlight for the Agency, its good deeds would really go a long way. Ms. Covington stated she would encourage the Executive Director to find someone for the position so that it would not remain vacant and begin to tell the Agency's success stories, because she would like to see more upbeat and positive articles associated with the Agency, instead of the negative attack pieces that were constant.

President Peterson stated he concurred with Commissioner Covington and that the Executive Director would look into the matter.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. **REPORT OF THE PRESIDENT**

- President Peterson thanked Commissioner Covington for her efforts in putting together the Commission retreat held on March 28th. Mr. Peterson stated he thought that Ms. Aileen Hernandez was a terrific facilitator and that he appreciated all of the Commissioners attending, and thought that the retreat was very constructive and a positive day.

Commissioner Yee asked the Commissioners to give Commissioner Covington a hand for her efforts in putting the retreat together.

8. REPORT OF THE EXECUTIVE DIRECTOR

- 8 (a)** Report on the transmittal of a corrected version of the Hunters Point Redevelopment Plan Amendment (Bayview Hunters Point Redevelopment Plan) to the Board of Supervisors of the City and County of San Francisco

Presenters: James Morales (Agency staff)

Executive Director Rosen continued with the remainder of the Executive Director's report.

- Executive Director Rosen reported that the Bayview Hunters Point proposed Redevelopment Plan Amendment, which the Commission adopted at its March 7th meeting, was scheduled for the Board of Supervisors' Land Use Committee on April 19th, and before the Board of Supervisors' Budget and Finance Committee on April 26th, and the full Board of Supervisors was scheduled to hold its first hearing on May 9th.
- April 5th groundbreaking for the senior housing development on Parcel A, the partnership between A.F. Evans and Chinatown Community Development Corporation, at 11:30 a.m.
- The Agency was receiving an award at a statewide conference on smart growth and Mello-Roos financing next weekend in Los Angeles, and Ms. Rosen stated she had the honor of receiving the award on behalf of the Agency, and that former Mayor Willie Brown was scheduled to give the keynote address at the dinner awards ceremony.
- The San Francisco Business Times did an annual event, awarding the real estate deals of the year, and two Agency projects, Michael Johnson's Fillmore Renaissance project at Parcel 732-A and the St. Regis, each received two awards. Ms. Rosen stated she believed these were the only projects in the Bay Area that received two awards each, with the best new hotel and housing for St. Regis, with a mention of the Museum of the African Diaspora as a component, and best land deal of the year for the Fillmore Renaissance as well as an award for its complex financing. Ms. Rosen stated that the Agency received recognition for sponsoring quality projects. Ms. Rosen stated she had an opportunity to meet President Peterson's mother, who was representing the De Young Museum as a recipient of the cultural institution of the year.

- Executive Director Rosen stated that when the Commission authorized the grant to the SF Juneteenth Committee at its March 21st meeting, the Commission directed staff to separate the jazz district film festival and issue a separate Request for Proposals (RFP) for the film festival, and staff was prepared to issue the RFP on an expedited basis so as not to delay the events in the Western Addition. Ms. Rosen stated that staff was working on publishing the RFP later in the week and would advertise and post for two weeks and have submissions by April 21st. Ms. Rosen stated she hoped to have a recommended contractor for the Commission's consideration at its May 16th Commission meeting.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington thanked all of the Commissioners for attending the retreat and stated that the Commission had a good work day. Ms. Covington asked if the guidelines for submission to the jazz district film festival RFP would include previous film experience, because with the short time-frame, she would hope that qualified people would respond

Executive Director Rosen stated that Commissioner Covington's concern was duly noted, and although she had not had the opportunity to review the criteria, the Agency generally required experience in the field, and staff would make special note of the previous film experience requirement.

- Commissioner Covington thanked President Peterson for attending a meeting with UCSF Vice-Chancellor Bruce Spaulding concerning the eyesore of a parking garage that was constructed on Third Street. Ms. Covington stated that Mr. Spaulding was very receptive to her and Mr. Peterson's comments and they agreed with them and they did not like the garage either. Ms. Covington stated that UCSF would look into ways of softening the appearance of the garage, whether it was through more landscaping or changing colors, and they would be marshalling all of their forces to see that something attractive would be done for the many people that traverse Third Street.
- Commissioner Yee stated that Mr. Spaulding was very generous in accepting Commissioners Covington and Peterson's suggestions, and requested verification that UCSF was exempt from local controls.

Executive Director Rosen affirmed that UCSF was exempt from local land use controls, but hopefully, they would not be exempt from personal appeals by Commissioners.

- President Peterson stated that basically, UCSF did not have to do anything, but they understood that they need to work with the community and the Agency to try to address concerns. Mr. Peterson stated that they were very receptive and indicated that they would like to work with the Agency to improve that specific situation.
- Commissioner Yee stated he read the informational memorandum regarding the 1345 Turk Street RFP, and that the three respondents who submitted on time were all deemed incomplete and did not meet the Agency's criteria. Mr. Yee asked if the Executive Director was seeking guidance from the Commission.

Executive Director Rosen stated that staff was recommending following the Commission's guidance from other situations when the Agency had received incomplete proposals to enable those respondents to resubmit complete proposals. Ms. Rosen stated that staff was proposing that the three respondents who submitted in a timely fashion, but were incomplete, would have two more weeks to submit complete proposals.

- Commissioner Yee asked if that would be fair to those contractors who did not submit on time for whatever reason, and it seemed to him that the Agency might as well redo the RFP process so that there would be opportunity for the general public to respond.

Executive Director Rosen stated that if the Commission directed staff to reissue the RFP, staff could do that, but that would really delay the potential development of the site, and staff believed that there was very significant advertising and outreach and information available about the development opportunity, and there was not a lot of interest. The responses that the Agency received were from the developers who had expressed an interest on the site, which was a market niche for a developer who wanted to develop affordable homeownership at that smaller scale. Ms. Rosen stated that staff believed there was fair opportunity, but if the Commission directed staff to re-advertise the RFP, that could be done.

- Commissioner Yee stated that as an Agency that existed to serve the City and County of San Francisco, he did not believe that it would be fair to others who were not able to submit on time, to limit the additional time and opportunity for only the three respondents who submitted on time with incomplete proposals. Mr. Yee stated that he was not too concerned with a little delay and a little more money, because he felt the Agency was obligated to ensure a fair process for everyone.
- Commissioner Yee requested an update on the property at the corner of 10th and Market Streets, which the Agency had an option to purchase.

Executive Director Rosen stated that the Agency's option to purchase was a very long time ago, and in the 1990s, the property was purchased by a partnership of the Tenderloin Neighborhood Development Corporation and the Citizens Housing Corporation. Ms. Rosen stated she read recently in the Business Times that they had sold the parcel that fronts on Market Street to a private developer for market-rate housing development, and they still intended to develop affordable housing on the remainder of the parcel,. Ms. Rosen stated that Commissioner Yee may be referring to a previous Commission authorization for the Agency to sign a term sheet with the City and the property owner, as the City was envisioning at that time, the development of a City-owned office building along the Market Street frontage, but the City decided not to go forward. Ms. Rosen stated the Agency still looked forward to the affordable housing development on the remainder of the site, but that there was no proposal currently before the Agency.

- Commissioner Yee stated he read the General Counsel's letter to the State Attorney General's Office, and hopefully they will send a response shortly. Mr. Yee stated he read the letter thoroughly and in his view, the General Counsel was not really doing his job strictly for the City and County of San Francisco. Mr. Yee stated he felt that the General Counsel was trying to find ways to accommodate the developer or the consultant, Arc Ecology, because the letter referred to an informational memorandum that the Executive Director sent the Commission regarding the reevaluation of the responses to the RFP, but as part-time Commissioners, they usually did not have time until the last minute to review the many documents sent to them. Mr. Yee stated it seemed that if a Commissioner did not say anything to a memorandum sent by staff, it was taken for granted that there was authority from the Commission to proceed with staff's recommendation. Mr. Yee stated that it would have been more appropriate for staff to be straightforward and ask Commissioners about what they thought about the matter in a public session so that Commissioners could provide clear directions. Mr. Yee stated that if staff communicated matters directly to the Commission, that would show interest strictly for the City and County of San Francisco, but that he perceived the General Counsel's approach to be the other way around. Mr. Yee stated that the General Counsel knew more about Robert's Rules of Order and the Agency's bylaws, and that was why he (Mr. Yee) was puzzled with the General Counsel's statement that the President, Vice-President and Executive Director could propose any items on the Agenda including those matters that had been previously rejected by the Commission, because the subsequent meetings of the Commission would be a new session, pursuant to the Agency's bylaws on how the agenda was set. Mr. Yee stated he had asked a number of judges and parliamentarians about the General Counsel's opinions, and they were shocked to hear that a matter

previously rejected by the Commission could be put on the agenda by the President, Vice-President and Executive Director.

- Commissioner Singh inquired about the proposal for a gay/lesbian senior housing on Parcel O.

Executive Director Rosen stated she believed that they were now interested in another parcel, but staff had not yet made any recommendation on what would be proposed for Parcel O. Ms. Rosen stated she believed that Open House was working with the A.F. Evans Company in looking at other parcels within the broader Hayes Valley area, specifically the UCSF Extension site on Laguna Street.

- Commissioner Singh asked when there would be an open house at the Agency's new offices, because he had not seen the new office space yet.

Executive Director Rosen stated she would love to, but the Agency did not have a budget for an open house.

- Commissioner Singh stated he was not suggesting anything elaborate, maybe coffee and snacks.
- President Peterson stated he would buy refreshments and would be happy to host. Mr. Peterson asked that a date be scheduled for such an event.

Executive Director Rosen stated she would work with the Commission Secretary to schedule a date convenient for the Commissioners.

General Counsel James Morales stated he would not belabor the point, but that he believed that Commissioner Yee had impugned his integrity by suggesting that he interpreted Robert's Rules of Order to accommodate, in Commissioner Yee's words, the developer or Arc Ecology, and suggesting that he was not straightforward with his analysis or that he was not representing the interest of the City and County of San Francisco. Mr. Morales stated he felt he had to respond, because he represented the interest of the Redevelopment Agency. In the matter of the Arc Ecology vote, he represented the interest of the Agency and the majority of the Commission which voted in favor of awarding the one-year contract to Arc Ecology and there was nobody but the majority of the Commission that he was representing in trying to uphold, through his interpretation of Robert's Rules of Order, which he gave on the spot during that Commission meeting, and then wrote an opinion as required by the Attorney General, consistent with what he stated at the Commission meeting. Mr. Morales stated he believed that when the Commission or a Commissioner objected to any person's interpretation of Robert's Rules, the proper course was for a majority of the

Commission to decide which way it wanted to interpret Robert's Rules, and there was a provision in Robert's Rules to allow for that, so that an individual, whether they be a parliamentarian or a General Counsel, or even the President of the Commission, would not become a scapegoat for some other issues. Mr. Morales stated there was a way in Robert's Rules for the Commission to decide if it wanted to follow Robert's Rules or a particular interpretation and that was by a majority vote. Mr. Morales stated he would urge the Commission in the future, and indeed, it did on this matter, through a majority vote on awarding the contract to allow the majority to move the agenda forward and to allow it to conduct its business without a minority of the Commissioners trying to stop the matter or seek interpretations to thwart the will of the majority. Mr. Morales stated he strenuously objected to personal characterizations that would reflect negatively on his integrity as a lawyer and as a public servant. He knew that Commissioner Yee had been around City government a long time, but so has he, and no one had ever accused him of violating his duties to the City and County of San Francisco or his ethical duties as a lawyer. Mr. Morales stated he would strenuously object and would continue to object if those criticisms were made again.

- Commissioner Romero stated he requested to speak because he was going to respond to Commissioner Yee's statements.
- Commissioner Yee interjected and stated that Commissioner Romero was out of order.
- Commissioner Romero stated that Commissioner Yee was not the chair.
- President Peterson asked Commissioner Romero to proceed with his statements.
- Commissioner Romero stated he did not want to be interrupted and after he concludes his statements, then Commissioner Yee could respond. Mr. Romero stated he concurred completely with the General Counsel's analysis of the issue that was raised at the previous meeting, which he had written two documents, one memorandum to the Commission and a letter to the Attorney General, and it appeared to him (Mr. Romero) that the General Counsel's conduct was entirely proper, entirely objective and in conformance with what the Commission had asked him to do. Mr. Romero stated that what he was concerned about, was the Commissioners just had a retreat and he made one contribution to the preparation of the retreat, but unfortunately, the Commission did not get to discuss it, and it was unfortunate because it was that kind of conduct by Commissioners that was seen, of a public attack of the integrity and criticism of Agency staff that brought the City's previous Mayor to the Commission meeting twice, chastising the Commissioners for their behavior and urging them to do something about it. In response, the Commission adopted standards of conduct for itself as Commissioners,

and it would have been good to review those standards at the recent retreat, and it would have been good for the new Commissioners to understand why the standards were adopted. Mr. Romero referred to Resolution No. 12-2001, which states that "Commissioners shall not publicly criticize Agency staff," and it referred to Robert's Rules of Order, including a standard of conduct that Commissioners were to confine their remarks to the merits of the pending questions, and refrain from attacking a member's motives, and that was exactly what the Commission saw with Commissioner Yee's statements. Mr. Romero stated as opposed to looking at the merits and stating that a Commissioner disagreed with the General Counsel's interpretation, instead there was an attack on the motive of the General Counsel's analysis. Mr. Romero stated the reason why the rule was there so that there would not be personal attacks, but focus on the merits of the question before the Commission. Mr. Romero stated this was not the only standard of conduct that the Commission violated that day, because he arrived at the meeting at 3:45 p.m., and at 4:00 o'clock there were only three Commissioners, and that's why the Commission should review the standards of conduct from time to time. Mr. Romero stated that Resolution No. 6-2001 states "All Commission meetings to begin promptly at 4:00 p.m.," and there seem to be Commissioners who arrive five, ten or fifteen minutes after 4:00 o'clock, and there were members of the public at 4:00 o'clock waiting for the meeting to begin. Mr. Romero stated there were other standards that the Commission should look at, but the one that was most significant and causes the most divisiveness on the Commission, was when a Commissioner made personal attacks, and he had seen it in the last three Commission meetings, and frankly speaking, the Commission should put a stop to it. Mr. Romero stated that if the Commission Secretary had not provided copies of the standards of conduct to the new Commissioners, he would appreciate it if copies were provided.

- Commissioner Yee stated that President Peterson should follow the rules, that when a Commissioner was out of order, the President should stop the Commissioner because the Agenda item was the Commissioners' Comments and Questions, and when a Commissioner gives a lecture to another Commissioner, that should not be permitted. Mr. Yee stated that the President allowed Commissioner Romero to act as a lawyer for the General Counsel and that was improper. Mr. Yee stated that he did not criticize the General Counsel, instead what he stated was that it was his personal perception. Mr. Yee stated he would remind his fellow Commissioners to read the General Counsel's analysis carefully, which stated that with the modifications to the original proposal, the matter would be considered as a new item, and it was proper to put it on the agenda. Mr. Yee stated that was a loophole in the process and totally improper, and was to benefit Arc Ecology. Mr. Yee stated he never made statements that he was against Arc Ecology, but that his issue was the process in which the matter was presented by staff was not correct. Mr. Yee stated that was his only concern and that he

did not criticize the General Counsel, and his perceptions of the General Counsel's analysis should not be misconstrued as criticisms, because he was expressing his personal opinions about the analysis and interpretations.

- Commissioner King stated it was very insulting to see another Commissioner who happened to be a lawyer, along with the General Counsel, to attack another Commissioner, and that Commissioner Romero was out of order in his statements. Mr. King stated that the lawyers always joined together and it was not appropriate to attack another Commissioner. Mr. King stated that the Commission did not ask the General Counsel to write to the Attorney General.
- President Peterson stated that the Commission actually did ask the General Counsel to write to the Attorney General at the previous Commission meeting.
- Commissioner King stated he might not have heard that, but that nobody could tell him as a grown man, how to conduct himself, and Commissioner Romero was very much out of order by attacking Commissioner Yee and try to protect the General Counsel, and that lawyers protected other lawyers.


10. CLOSED SESSION

- 10 (a)** Pursuant to Government Code §54956.8 to confer with the Agency's real property negotiators in connection with the Hugo Apartments, 200-214 Sixth Street, Assessor's Block 3731, Lot 001; South of Market Redevelopment Project Area. Agency negotiators: Olson Lee, Sally Oerth, Mike Grisso.

11. ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:47 p.m.

Respectfully submitted,


Erwin R. Tanjaquito
Agency Secretary

APPROVED:

May 2, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
2ND DAY OF MAY 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 2nd day of May 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that cell phones and pagers be turned off during the meeting. Mr. Peterson referred to Item 6 on the Agenda, "Persons wishing to address the members on non-Agency, but Agency-related matters," and stated that this was the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but matters that related to general Agency business or matters that needed to be brought to the Commission or staff's attention. Mr. Peterson requested that members of the public addressing the Commission not to expect Commissioners to respond to their comments, and would recommend that they simply state their comments and speak with staff or Commissioners at the end of the meeting, because it was not appropriate for Commissioners to engage in a debate or discussion on matters not appearing on the Agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Special meeting of March 28, 2006, regular meetings of April 4 and 18, 2006
- 4 (b)** Resolution No. 58-2006, Authorizing execution of an equipment lease agreement with Toshiba Financial Services and a general maintenance agreement with Toshiba Business Solutions Group, Inc., a California corporation, for three model eStudio 520 digital copiers for a three-year term in a total amount not to exceed \$60,000, subject to annual appropriation

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: SPECIAL MEETING OF MARCH 28, 2006, REGULAR MEETINGS OF APRIL 4 AND 18, 2006, AND 4 (b) RESOLUTION NO. 58-2006, AUTHORIZING EXECUTION OF AN EQUIPMENT LEASE AGREEMENT WITH TOSHIBA FINANCIAL SERVICES AND A GENERAL MAINTENANCE AGREEMENT WITH TOSHIBA BUSINESS SOLUTIONS GROUP, INC., A CALIFORNIA CORPORATION, FOR THREE MODEL ESTUDIO 520 DIGITAL COPIERS FOR A THREE-YEAR TERM IN A TOTAL AMOUNT NOT TO EXCEED \$60,000, SUBJECT TO ANNUAL APPROPRIATION, BE ADOPTED.

At this time, approximately 4:15 p.m., Commissioner Yee arrived at the meeting.

REGULAR AGENDA

- 4 (c)** Resolution No. 59-2006, Commending and expressing appreciation to Warren Nogle for his five years of dedicated public service on the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Olson Lee (Agency staff)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 59-2006, COMMENDING AND EXPRESSING APPRECIATION TO WARREN NOGLE FOR HIS FIVE YEARS OF DEDICATED PUBLIC SERVICE ON THE OCCASION OF HIS RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (d)** Resolution No. 60-2006, Authorizing a Second Amendment to the sublease agreement with Carmen and Benito Solis, doing business as Carmen's Restaurant, on a portion of the bulkhead building and property located at Pier 38/40; Rincon Point-South Beach Redevelopment Project Area

Presenters: Patty Maitland (Agency staff)

Commissioner Singh asked what the going rent was in that area of the waterfront, and what the square footage of the restaurant was.

Ms. Patty Maitland, Property Management Supervisor, stated that the rent for Carmen's Restaurant was a bit below market rate. Ms. Maitland stated that the current market rate for retail and commercial leases was between \$28.00 and \$36.00 per square foot, and through the course of the lease, Carmen's would be paying \$11.85 to \$13.00 per square foot. Ms. Maitland stated that the restaurant had about 2,100 square feet, including the outdoor seating area.

Commissioner Singh put forth a motion to adopt item 4 (d).

Commissioner Romero seconded Commissioner Singh's motion to adopt item 4 (d). Mr. Romero stated he recalled that the reason for the Agency's support of Carmen's restaurant was due to the relocation from their long-time former location. Mr. Romero stated that in addition, Carmen's Restaurant had a long history of supporting the labor union, and that if Commissioner King was in the meeting, he would be the one making the motion to authorize the second amendment to the sublease agreement.

Commissioner Covington requested Executive Director Rosen to provide the new Commissioners with the background on the need for the deep discount on the lease terms.

Executive Director Rosen stated that in the past, the Commission did approve a discounted rent premised on two things. First, Carmen's was a well-established waterfront restaurant that was on Port property at a below market rent, and was relocated because of the work on the Fourth Street Bridge. Ms. Rosen stated that in addition, at that time, the Agency was actively engaged in doing the construction, improvements and repairs to the South Beach Harbor and the Pier 40 apron and the related improvements, and the market for restaurants in that area of the waterfront was very low because of the challenging location and the economy. Ms. Rosen stated there was a dual concern for the Commission to maintain the restaurant that had played such an historic role in the waterfront during its working days and had a very loyal patronage, and they were at a point in their career and in the management of the restaurant, where they really could not start a

brand new capital investment. Ms. Rosen stated the lease with Carmen's also met the Agency's needs because it wanted a restaurant in the Pier 40 space, although because of the Agency's ongoing construction and development, it was a challenging space to market. Ms. Rosen stated previously the Pier 40 space was leased to a coffee establishment, and the Agency had to terminate that lease. Ms. Rosen stated that the Solis' had asked for the three-year lease extension, and they would have the right to terminate before the end of the three-year period. The space would be available, probably at the time that the Agency would complete its development, and the Agency would look for a new opportunity at that time. In the meantime, Agency staff felt the lease extension was in keeping with the previous Commission determination with this particular establishment.

Commissioner Yee stated that Executive Director Rosen mentioned that Carmen's would have the option to terminate the lease earlier, and that his concern would be if there was language in the lease requiring the operator to provide adequate notice to the Agency.

Executive Director Rosen stated that the lease with Carmen's included a standard notice provision so that the Agency could plan for the use of the space, and the option to terminate the lease earlier was in order to not have a penalty imposed should the Solis' decide to retire or pursue another opportunity.

Commissioner Yee stated he was glad to hear that because his concern was fairness given the low rent, as there would not be another restaurant space in the City with such favorable lease terms.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (d) RESOLUTION NO. 60-2006, AUTHORIZING A SECOND AMENDMENT TO THE SUBLEASE AGREEMENT WITH CARMEN AND BENITO SOLIS, DOING BUSINESS AS CARMEN'S RESTAURANT, ON A PORTION OF THE BULKHEAD BUILDING AND PROPERTY LOCATED AT PIER 38/40; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED

At this time, approximately 4:28 p.m., Commissioner King arrived at the meeting.

- 4 (c)** Resolution No. 61-2006, Conditionally approving the combined basic concept and schematic design for Block 4 West, a 192 unit residential project in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Presenters: Kelly Kahn (Agency staff), John Eller (SBS Architects),

Commissioner Romero put forth a motion to adopt item 4 (e) and thanked Ms. Kelly Kahn for the clear and well-coordinated presentation. Mr. Romero thanked the members of the development team for attending the meeting, and stated he thought the proposed development had an attractive design and was in alignment with the project goals.

Commissioner Covington stated she would echo Commissioner Romero's statements and thanked the developer for bringing all of the members of their development team. Ms. Covington seconded Commissioner Romero's motion to adopt item 4 (e).

Commissioner Breed asked if staff knew what the final color scheme would be since staff mentioned that the colors might change slightly. Ms. Breed stated she thought the design was decent, but that the color scheme seemed a little dull as currently depicted in the architectural renderings.

Mr. John Eller of SBS Architects, stated that the color scheme was one of the elements that was part of the ongoing discussion about the proposed development, and pointed to the materials board, specifically the proposed stone material that would be used as the wainscot base element of the building. Mr. Eller pointed to the fiber-glass reinforced concrete proposed to be used for the skin of the building, and that their design scheme was classic and somewhat subdued in their color selection, but as Ms. Kahn stated earlier, the color scheme was something they expected to continue to refine as they develop the design. Mr. Eller stated that they would expect the final color scheme to be warmer and richer in tones.

Commissioner Breed stated she supported the proposed project and that she especially liked the proposed trees around the development, and looked forward to seeing the completed development.

President Peterson referred to the architectural model and asked if the elevator core would be visible from the street or across the channel.

Mr. Eller stated that the elevator core would be visible, but only from a distance, as one approached the project from Fourth Street, it would not be the first thing that would catch the eye because of the ground plane vitality and interest on the street. Mr. Eller stated that they would articulate the elevator core to the extent possible, but there was not a lot of opportunity to put openings.

President Peterson asked if there was any possibility for landscape treatments or even a mural painting, to camouflage the elevator core, because he thought the proposed design was very attractive, but he felt that

the elevator core would be something stark and quite visible. Mr. Peterson requested the developer to keep the elevator core in mind as they finalize the design.

Mr. Eller stated that as they develop the design and continue working with Agency staff, they would work on refining the overall design, including articulation of the elevator core.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 61-2006, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR BLOCK 4 WEST, A 192 UNIT RESIDENTIAL PROJECT IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Resolution No. 62-2006, Recommending changes in the Redevelopment Plan Amendment for the Hunters Point Redevelopment Project Area (i.e. the Bayview Hunters Point Redevelopment Plan) consistent with the approval of the Redevelopment Plan Amendment by the Budget and Finance Committee of the Board of Supervisors; and authorizing transmittal of the Agency's recommendations to the Board of Supervisors

Presenters: Tom Evans (Agency staff)

Speakers: Dorris Vincent, Angelo King, Ace Washington

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 62-2006, RECOMMENDING CHANGES IN THE REDEVELOPMENT PLAN AMENDMENT FOR THE HUNTERS POINT REDEVELOPMENT PROJECT AREA (I.E. THE BAYVIEW HUNTERS POINT REDEVELOPMENT PLAN) CONSISTENT WITH THE APPROVAL OF THE REDEVELOPMENT PLAN AMENDMENT BY THE BUDGET AND FINANCE COMMITTEE OF THE BOARD OF SUPERVISORS; AND AUTHORIZING TRANSMITTAL OF THE AGENCY'S RECOMMENDATIONS TO THE BOARD OF SUPERVISORS, BE ADOPTED.

- 4 (g) Resolution no. 63-2006, Approving the proposed budget for the period of July 1, 2006 through June 30, 2007 and authorizing the Executive Director to submit the budget to the Mayor's Office

Presenters: Mario Menchini (Agency staff)

Speakers: Ace Washington, Rev. Arnold Townsend

Commissioner Covington asked if all of the Citizens' Advisory Committees (CAC) and Project Area Committees (PAC) had a chance to review and agree upon their specific line items on the Agency's proposed budget.

Executive Director Rosen stated she believed that there had been at least a general discussion, and for the Western Addition CAC, there was a budget and finance committee meeting that was cancelled due to a lack of a quorum, but was subsequently rescheduled and held the week prior, but was informed by staff that the meeting adjourned at 8:00 p.m. without reaching the budget item on its agenda.

Commissioner Covington stated she assumed that the CACs and PACs were aware that the Agency's proposed budget was calendared for the Commission's consideration and approval.

Executive Director Rosen stated that the budget discussion and planning for scheduling had been publicly available since the second Commission meeting in March, which included the Agency's forward calendar that scheduled the two budget workshops in April. The budget memorandum had been publicly available since the end of March when it was sent to the Commission for the April 4th Commission meeting, which was also the date of the first budget workshop.

Commissioner Covington asked if Mr. Menchini had copies of his prepared notes for his oral presentation.

Mr. Mario Menchini, Senior Financial Analyst, stated that he did not have copies of his prepared notes for his oral presentation.

Commissioner Covington stated she thought that Mr. Menchini gave a good overview and that it was helpful, however, it would have been more helpful if the Commissioners had copies of his notes, because Mr. Menchini's notes were organized differently from the budget material provided to the Commission, and it was hard to follow and coordinate the points.

Executive Director Rosen stated she believed that Mr. Menchini's presentation was very close to the Commission memorandum that was provided.

Commissioner Covington stated she was only speaking for herself and she had difficulty following Mr. Menchini's presentation, and she was paying attention. Ms. Covington stated that earlier, the Commission authorized the leasing of copiers, and noted that on the Agency's proposed budget, there was a line item for leasing machines, equipment and furniture, and requested verification that the amount would have to be increased based upon the Commission's earlier vote to authorize the lease of copiers.

Mr. Menchini stated he believed that the Commission's earlier action to authorize the leasing of copiers was being funded from the Agency's existing budget for the current fiscal year 2005/2006.

Commissioner Covington stated she was happy to see that there was a provision for a public relations specialist in the Agency's proposed budget. Ms. Covington asked if there was funding provided in the proposed budget for the production of public relations materials.

Executive Director Rosen stated the Agency had administrative funds from prior years, which staff had allocated for the preparation of public relations and promotional materials, and that she believed there were such funds still available from prior years. Ms. Rosen stated there was not a specific line item for the preparation of public relations materials, but as the Commission would note, the budget included a line item for printing, postage and other administrative expenses, and staff believed the funds would be adequate for the work activities of the public relations position.

Commissioner Breed requested verification that Agency staff would be proposing an amendment to the Rincon Point – South Beach Redevelopment Plan.

Executive Director Rosen stated staff was proposing an amendment pursuant to SB2113, which was State legislation specific to San Francisco to enable the Agency to amend redevelopment plans, specifically to allow additional collection of tax increment solely for the replacement of affordable housing units lost in the early years of redevelopment activities. Ms. Rosen stated that the 2006/2007 proposed budget assumed that the Rincon Point – South Beach Redevelopment Plan would be so amended this Spring, which would come before the Commission for consideration, and final approval by the Board of Supervisors. If the redevelopment plan was not amended, as the budget memorandum stated, the Agency's affordable housing budget would shrink dramatically, because the additional tax increment generated from Rincon Point – South Beach would support additional bonded indebtedness for the Agency's affordable housing program.

Commissioner Breed asked why the Harbormaster was listed as Agency staff.

Executive Director Rosen stated that the Agency owned the South Beach Harbor, and that the Agency essentially had a separate enterprise budget, and South Beach Harbor is within the Rincon Point – South Beach Redevelopment Project Area, but that the harbor revenues support the administration of the harbor itself, and the harbor staff are Agency employees.

Commissioner Breed stated she was not entirely clear on the line item for Port leases, which listed \$560,000 of revenues, and asked for examples of such leases.

Ms. Amy Neches, Senior Project Manager, stated that the Agency leased a series of properties from the Port of San Francisco, including the property for the South Beach Harbor and Park, and the Agency also leased and subleased a lot of properties, which included the Steamboat Point housing project, the Delancey Street affordable housing project, and the ILWU union hall.

Commissioner Breed asked if the line item for the Fillmore streetscape in the amount of \$250,000 included repair costs.

Ms. Gaynell Armstrong, Project Manager, stated that the \$250,000 was allocated specifically for repair costs of streets and sidewalks along Fillmore Street. Ms. Armstrong stated that the Commission about one month prior, approved a separate maintenance contract for Fillmore Street.

Commissioner Breed pointed to the Western Addition A-2 work program and stated she was not completely clear about the \$10 million amount and where the money went to.

Mr. Menchini stated the \$10 million amount in the Western Addition A-2 budget that was being requested, most of which would be used to pay debt service on bonds that were outstanding, related to Western Addition and AB1290 pass-through obligations that were State-mandated.

Commissioner Breed stated it was not clear because the amount was listed under work program costs, and her understanding was that some of the funds would be used for some of the work programs for the Western Addition. Ms. Breed requested verification that most of the \$10 million amount was not for work programs in the Western Addition.

Mr. Menchini affirmed that most of the \$10 million amount was not for the work program in the Western Addition, but would be used to pay debt service on Western Addition bonds that were outstanding.

Commissioner Breed stated that one of her other concerns was that this would be the first time the Agency was borrowing from the City's general fund for redevelopment survey areas in Visitacion Valley and Bayview Hunters Point. Ms. Breed stated she was not comfortable primarily because it would give the impression that the Agency would approve the survey areas as redevelopment project areas, when at the present time, they were being surveyed. Ms. Breed asked the Executive Director to explain why the Agency was requesting general fund monies for use in the survey areas.

Executive Director Rosen stated there were two different areas where the Agency was asking for general fund monies and staff was still in discussion with the Mayor's Budget Office regarding this. Ms. Rosen stated as the Commission was aware, until a redevelopment plan was adopted, there would not be any tax increment and there was no other lawful source of funds that the Agency would have available to expend on the survey area work. Ms. Rosen stated that last year, the Board of Supervisors appropriated money for the Visitacion Valley Survey Area, and the idea would be that the Agency would essentially be asking for an advance against future tax increment that would be generated, with the understanding that if there was no project area approved, there would not be a repayment. Ms. Rosen stated that for the Bayview Hunters Point, hopefully there would be a plan adopted, but because of the lag between plan adoption and receipt of tax increment, (assuming that the Board of Supervisors adopted the redevelopment plan and the Mayor signed the ordinance in the early part of the 2006/2007 fiscal year), the Agency would not be able to start collecting tax increment until the 2007/2008 fiscal year. Ms. Rosen stated that staff had reserved funds from the original Hunters Point Redevelopment Project Area for the survey area planning, and because the planning work had taken longer and additional environmental review was necessary, the Agency had expended all of the funds set aside for this purpose. The Agency now requires funds for the Bayview Hunters Point Plan and for the additional planning activities in the survey area related to the Shoreline Node, which was severed from the proposed Bayview Hunters Point Redevelopment Plan. Ms. Rosen stated that was the reason for requesting the City to advance general fund monies as well as an agreement for the Agency to pay the money back to the City over time, as the tax increment flowed.

Commissioner Breed asked if a resolution had been reached on the proposed repayment agreement with the City.

Executive Director Rosen stated there was not a resolution yet, but that staff and the Mayor's Office had been discussing the matter, and if the Board of Supervisors approved the Agency's budget, there would be an agreement to that effect.

Commissioner Breed inquired about the additional \$1.5 million for the Museum of the African Diaspora (MoAD), and asked if this was in addition to the \$5.5 million that the Agency had already provided, or was it part of the overall commitment to the museum.

Executive Director Rosen stated that the \$1.5 million was part of the operating agreement with MoAD that the Commission authorized, and would cover three years of activities. Ms. Rosen stated that this amount was in addition to the money provided to the museum for tenant improvements.

Commissioner Breed asked if there were funds included in the proposed 2006/2007 budget for the Jewish and Mexican museums.

Executive Director Rosen stated there was no agreement to provide funds for the Jewish Museum other than the land, which the Agency already provided. Ms. Rosen stated that for the Mexican Museum, under the current agreement, the Agency would build the building, and there were some funds on hand from prior years that were not used when the Agency had anticipated a much faster development track, but that there were no funds in the current proposed budget for the Mexican Museum.

Commissioner Breed stated she wanted to be absolutely clear that there were no funds allocated for the Jewish and Mexican Museums because they were listed in the budget's project summary. Ms. Breed asked if the museums were included in the Jessie Square line item.

Executive Director Rosen stated that as she tried to explain before, sometimes there was a mismatch between activities taking place either without Agency funds or with funds approved in a prior fiscal year, and the proposed budget for activities that were not yet funded or needed additional funds. Ms. Rosen stated that the Jessie Square line item was for the public square itself.

Commissioner Breed thanked Executive Director Rosen for the explanations, and stated that one of her biggest concern was the complaints from the Western Addition CAC that they did not receive the budget in a timely manner. Ms. Breed stated she would hope that in the future, CACs and PACs would receive the budget in a timelier manner. Ms. Breed stated she understood the quorum issue with the Western Addition CAC, but they should receive copies of the budget at the same time that the Commissioners receive their copies, whether or not there was a CAC meeting scheduled. Ms. Breed stated that generally speaking, the Agency's proposed budget was a decent budget, and put forth a motion to adopt item 4 (g).

Commissioner Singh requested verification that the Agency's revenue from bond sales proceeds was \$132 million. Mr. Singh asked how much money the Agency had borrowed for the last ten years.

Mr. Menchini affirmed that Agency's revenue from bond sales proceeds was \$132 million. Mr. Menchini stated he had not looked at the Agency's bonded indebtedness in a while, and he would estimate that \$500 million had been borrowed over the last ten years.

Executive Director Rosen stated that staff could prepare a report and provide it to the Commission.

Commissioner Singh stated that bond sales proceeds was a major source of revenue for the Agency and he would like to know much debt was outstanding and how long it would take to repay.

Executive Director Rosen stated that as Commissioner Singh knew, tax allocation bonds is the major finance tool for redevelopment activity, and the Agency had a pledge of tax increment for that. The Agency was prudent in its issuance of debt, and the Agency's bonds had variable length terms, and debt was being repaid every year. Ms. Rosen stated staff would provide the information to the Commission.

Commissioner Singh seconded Commissioner Breed's motion to adopt item 4 (g).

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 63-2006, APPROVING THE PROPOSED BUDGET FOR THE PERIOD OF JULY 1, 2006 THROUGH JUNE 30, 2007 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET TO THE MAYOR'S OFFICE, BE ADOPTED.

At this time approximately 5:50 p.m., the Commission skipped item 4 (h) and proceeded with the rest of the Agenda.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Caryl Ito, Sandy Mori

7. REPORT OF THE PRESIDENT

- President Peterson stated that at the previous Commission meeting, Commissioner King inquired about the status of a certain closed session matter, and after following up on the matter, the Commission would be briefed in closed session at its May 16th Commission meeting.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen announced that the Plaza Apartments was awarded the American Institute of Architects (AIA) California Chapter Merit Award.
- 15th annual Spring Open Studio at the Hunters Point Shipyard on May 6th and 7th, from 10:00 a.m. to 6:00 p.m.
- Executive Director Rosen stated that Agency staff was very supportive of the proposal for the J-Pop Center, but that the Agency had a legal duty to comply with the California Environmental Quality Act (CEQA). Staff had been working diligently with the developers, and staff believed that with a focused Environmental Impact Report (EIR), there would be a certification of the EIR before the Commission in October or November 2006. Ms. Rosen stated that staff was not contesting the demolition of the existing building and was fully aware of the benefits that this project would bring to Japantown, particularly as it pertains to the maintenance of culturally specific uses. However, as the Commission could see in the informational memorandum, there was a requirement for further investigation about this potential historic resource. Ms. Rosen stated that staff was expediting the CEQA review and continuing to meet with the developer to advance the project. Ms. Rosen stated that if the Commission would like further information at a later time, a workshop could be scheduled to discuss the status of the development in the next couple of months.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh requested that Ms. Sandy Mori and Ms. Caryl Ito be informed of the Commission workshop regarding Japantown, when it was scheduled.

Executive Director Rosen stated that staff would certainly inform the Japantown Task Force of the Commission workshop, when it was scheduled.

At this time approximately 6:05 p.m., the Commission returned to item 4 (h).

- 4 (h)** Workshop updating the Commission on the proposed formation of community benefit districts in the Fillmore Jazz Preservation District and Japantown in the Western Addition Redevelopment Project Area A-2

Presenters: Gaynell Armstrong (Agency staff), Lisa Pagan (MOEWD), Mary McCue, Karen Ekland (MJM Management Group)

Speakers: Rev. Arnold Townsend, Regina Dick-Endrizzi (Supervisor Mirkarimi's Office), Ace Washington

Commissioner Breed stated she definitely had issues with the proposed formation of community benefit districts in the Western Addition because the Fillmore district was completely different from other districts with business that had been established for numerous years. Ms. Breed stated that for the Fillmore, what the Agency did in order to attract new businesses, was provide new loan opportunities, incentives, and advantages to groups in order to get them to the district, and it was still not enough, because people she knew, people who had credible businesses still had difficulty doing business in the Fillmore. Ms. Breed stated that small businesses, even with the assistance of Urban Solutions and all of the Agency's programs, continue to run into difficulties with the increased rents due to the upcoming development of Yoshi's on Fillmore, and although the Agency was doing a lot to attract and maintain small businesses in the area, she was disappointed that people who are native Western Addition residents had trouble starting businesses in the Western Addition, and that she had serious issues about that. Ms. Breed stated that when she first heard about the proposed community business district, she thought this could be something beneficial for the community, but she thought it was not something that should be rushed into, because she thought that it should be focused in on other established neighborhoods first, and the Agency still had a lot of work to do in the Western Addition. Ms. Breed stated there was not even a plan for the Agency's exit from Western Addition in 2009, and as much as she understood the need to transition into the proposed community benefit district, she had some issues with the timeline that was presented to the Commission, because even with previous memoranda from staff and inquiries from members of the community, this was really the first time that she had read the detailed proposal, and she only saw two churches and one nonprofit organization listed, but that she knew there was a lot more small businesses and others who would be struggling to pay back loans from the Agency and who would be asked to pay their share in the build-out of the Western Addition. Ms. Breed stated she did not like the approach that the Agency was taking, and that she knew this was being pushed through the Mayor's Office of Economic and Workforce Development, and although the community benefit district program had worked successfully in other

districts particularly in Union Square, which had business that had been established for many years, the Fillmore District was not there yet in terms of established businesses, and that she was not comfortable with the proposal. Ms. Breed stated she thought that with the proposed schedule for the formation of the community benefit district within the year, she just did not see the businesses supporting the formation of the district. Ms. Breed stated that the proposal may move forward, but that she did not see the community benefit district passing, and the only reason she would support it as an Agency Commissioner, was because of the Agency's properties included in the proposed district. Ms. Breed stated she thought there were some businesses that should not be considered in the proposed district, and that she did not agree with the proposed method of assessment of some of the properties. Ms. Breed stated she had a number of questions, for example, the park on Golden Gate Avenue and Steiner Street, it was not clear as to how the park would be assessed. Ms. Breed stated she thought there were decent members on the Steering Committee who would bring up the same concerns, but that she did not think that the proposed district should be pushed or taken lightly. Ms. Breed stated she recalled Ms. McCue mention that she had spoken with the large business owners, but that she did not hear Ms. McCue mention that she had spoken with Safeway. Ms. Breed stated she thought that the largest establishments should be assessed definitely, but that there was a lot more work that needed to be done and many questions to be answered, and that she was disappointed that the CAC was just now being provided with the information. Ms. Breed stated she understood that the Agency, in terms of moving the matter forward, was being asked to consider being assessed for the two properties it owned, and of course, she would agree because the Agency had the money and could afford to pay, but that was not the case with the churches and other small businesses in the area and other new business that the Agency was trying to attract into the neighborhood, because they would not be in the best situation to undertake additional financial responsibilities. Ms. Breed stated as an example, the place where she had her hair done on Fillmore and Eddy Streets, did not have consistent business, and a lot of other small businesses in the area did not have the consistent business they needed to pay the rent and maintain their businesses, and these businesses continue to struggle. Ms. Breed stated she did not want to put people out of business, and that she was not saying the proposed district alone would do that, but she thought that the Agency should probably take steps to support the businesses. Ms. Breed stated as an example, the Agency provided loans to Mr. Powell and now his business would be further assessed with a community benefit district tax, while he would have to wait a whole year to pay back the Agency loan. Ms. Breed stated she was taking the position of a community activist and from the Agency's standpoint, she would be looking at things the Agency could do to support especially the smaller businesses, in transitioning into the proposed district. Ms. Breed stated she thought that the transition was too aggressive, and the Agency really needed to think

more about the proposal and be more considerate of the small businesses and other businesses that the Agency was trying to attract into the Fillmore Jazz Preservation District.

Executive Director Rosen stated she wanted to clarify that property owners, and not businesses, would be assessed, so, for example, Fillmore Center, Mr. Szeto and Safeway would be assessed and not the businesses in those buildings.

Commissioner Breed stated she completely understood that, but the small business would still be assessed additional rents, because the rents had already increased in the Fillmore Center now, and other businesses who wanted to locate in the Fillmore Center could not do so with the increased rents. Ms. Breed stated she knew that the Fillmore Center would be assessed, but that increased rents would fall to the tenants eventually.

Commissioner Yee stated that as a small businessperson in San Francisco for many years, he looked at things slightly different than Commissioner Breed. Mr. Yee stated that anything the Agency could do would help improve the entire neighborhood, and property values would naturally increase, and as an example, the number of people that patronized Japantown 10 years ago was not comparable to today, and it was the Agency's investments in the area that changed things dramatically. Mr. Yee asked if the other community benefit districts in the City had similar questions and opposition.

Ms. Lisa Pagan of the Mayor's Office of Economic and Workforce Development, stated all of the districts that were proposed last year actually passed.

Commissioner Yee stated he understood Commissioner Breed's concerns about the small businesses in the Fillmore, but that was a bit short-sighted because he believed that the Fillmore District was becoming a viable district for people to shop and visit, and with the additional improvement of the proposed community benefit district, he thought that would help tremendously. Mr. Yee stated he would definitely encourage his fellow Commissioners to not overlook the fact that the proposed community benefit district would not only have an impact in the Western Addition, but the city as a whole.

Commissioner Singh stated he agreed with Commissioner Yee and thought that the proposed community benefit district was a good idea to bring more clientele for the businesses in the neighborhood.

Commissioner Covington stated she appreciated the workshop because she learned quite a bit. Ms. Covington stated that what the workshop brought up for her, was how the Agency would get to a point where there was a plan in place for the Agency's exit from the Western Addition. Ms. Covington stated it seemed to her that the proposed community benefit district would be one of the components of whatever that exit plan would be, but that in the absence of such an exit plan, it was hard to weigh what percentage of continued revitalization the proposed district would contribute. Ms. Covington stated she was not sure how the Agency would get to the formulation of an exit plan, if it was something that the Commission President could put on the agenda so that Commissioners could discuss ideas, but that the Agency was running out of time, and if another good idea came up in six months, it would not be part of a cohesive overall strategy that the Agency understood and would work toward.

President Peterson stated that a discussion could definitely be scheduled on a future Commission meeting, and that he would speak specifically with Commissioners Covington, King and Breed about ideas they may have.

Commissioner Breed stated she wanted to add that all of the work that Ms. Mary McCue had done to assist the Western Addition and the Fillmore corridor with Christmas lights, holiday decorations and a lot of work, had not gone unnoticed. Ms. Breed stated that had made such a difference in the neighborhood, and that it was important to know that those type of improvements did so much for the community, and she was not necessarily saying that there should not be a community benefit district, but that it should be done appropriately, in a very time sensitive way with regard to an exit plan. Ms. Breed stated she thought that the community benefit district should definitely be part of an exit plan, but the Agency should make sure that it was done the right way because there was a continuing effort to attract businesses into the area.

Commissioner Yee stated he recalled what Rev. Arnold Townsend said about the Final Draft version of the proposed community benefit district that was provided to the Western Addition CAC, and the Chinese interpretation of a Final Draft meant that staff had done a lot of work on various draft versions of the document, and the final format was now ready for public review and comment, and there was no ill intention.

President Peterson stated he thought that Commissioners were reasonable advocates for the City and its neighborhoods, and that the proposed community benefit district was a good idea. Mr. Peterson stated he knew that Commissioner Breed agreed, but that she raised a good point of not rushing the formation of the proposed community benefit district and give the impression that somehow, the Agency was trying to force something upon the community. Mr. Peterson stated he thought it would be better to

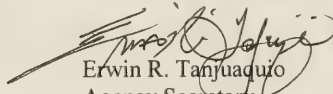
put it off even if it had to go on the next budget year to ensure that the district would be formed, and not alienate people in the long term. Mr. Peterson stated he was sure that the consultants would take into account Commissioner Breed's concerns and perhaps include her in the subsequent iterations of the proposed community benefit district. Mr. Peterson wished everyone good luck and stated that the Commission looked forward to hearing more about the proposal.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:57 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

May 16, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
16TH DAY OF MAY 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of May 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but are related to general Agency business would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond, on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT

And the following were absent:

Leroy King

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Commission Secretary Erwin Tanjuaquio announced that Ms. Joanne Sakai, Deputy Executive Director would be acting Executive Director, and Ms. Penny Nakatsu, Deputy General Counsel would be acting Agency General Counsel for the meeting.

Joanne Sakai, Deputy Executive Director, was Acting Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of May 2, 2006

- 4 (b) Resolution No. 64-2006, Authorizing a Third Amendment to a Personal Services Contract with the Market Street Association, a California nonprofit public benefit corporation, to extend the term for 6 months in an amount not to exceed \$40,000, for an aggregate amount not to exceed \$280,000 for administrative, coordination, and outreach services to the Mid-Market Project Area Committee; Mid-Market Redevelopment Survey Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. BREED, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF MAY 2, 2006, AND 4 (b) RESOLUTION NO. 64-2006, AUTHORIZING A THIRD AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH THE MARKET STREET ASSOCIATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FOR 6 MONTHS IN AN AMOUNT NOT TO EXCEED \$40,000, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$280,000 FOR ADMINISTRATIVE, COORDINATION, AND OUTREACH SERVICES TO THE MID-MARKET PROJECT AREA COMMITTEE; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 65-2006, Commending and expressing appreciation to Monterey Morrissey for his 19 years of dedicated public service upon the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: James Nybakken (Agency staff)

Commissioner Romero stated it seemed like destiny to have someone named Monterey working at the South Beach Harbor, and thanked Mr. Morrissey for his 19 years of dedicated public service. Mr. Romero congratulated Mr. Morrissey on his retirement and put forth a motion to adopt item 4 (c).

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (c).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 65-2006, COMMENDING AND EXPRESSING APPRECIATION TO MONTEREY MORRISSEY FOR HIS 19 YEARS OF DEDICATED PUBLIC SERVICE UPON THE OCCASION OF HIS RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (d) Resolution No. 66-2006, Authorizing a Personal Services Contract with Image Access West, Inc., a California corporation, to provide the Agency with electronic document management and imaging system services for a term of one year in an amount not to exceed \$60,000.00

Presenters: Kim Pan (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 66-2006, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH IMAGE ACCESS WEST, INC., A CALIFORNIA CORPORATION, TO PROVIDE THE AGENCY WITH ELECTRONIC DOCUMENT MANAGEMENT AND IMAGING SYSTEM SERVICES FOR A TERM OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$60,000.00, BE ADOPTED

At this time, approximately 4:18 p.m., Commissioner Yee arrived at the meeting.

- 4 (e) Resolution No. 67-2006, Authorizing the engagement of UBS Securities LLC, a Delaware limited liability company, and Backstrom McCarley Berry & Co, LLC, a California limited liability company, as the underwriters for the anticipated issuance of the 2006 tax allocation bonds by the Redevelopment Agency of the City and County of San Francisco

Presenters: Mario Menchini (Agency staff)

Speakers: Calvin Grigsby

Commissioner Romero stated he had read the memorandum thoroughly and it seemed that staff had done a very careful review of the matter, and put forth a motion to adopt item 4 (e).

Commissioner Covington asked how often capital appreciation bonds were issued by the Agency.

Mr. Mario Menchini, Senior Financial Analyst, stated that the Agency issued tax allocation bonds annually, and a portion of the annual issuance were capital appreciation bonds. Mr. Menchini stated historically, the Agency issued bonds competitively where underwriters were not utilized, but because of the scarcity of capital appreciation bonds in the municipal market, staff felt it was important to work with underwriters to find buyers for that portion of the Agency bonds.

Commissioner Covington asked if there was any requirement in the Request for Proposals (RFP) that respondents to the RFP have headquarters in San Francisco.

Mr. Menchini stated there was no requirement for respondents to the RFP to have headquarters in San Francisco, but that would be a tie-breaker if two competing firms had the same scores. Mr. Menchini stated that was not a factor as there was no tie in the scoring, but staff was still recommending a co-manager that was headquartered in San Francisco, the firm of Backstrom, McCarley, Berry LLC. Mr. Menchini stated that most, with very few exceptions, investment banking firms would be headquartered in New York City, with some regional firms headquartered outside of New York, some in Chicago, Los Angeles and one in San Francisco. Mr. Menchini stated that if the hiring of bond underwriters was limited to San Francisco firms, the Agency would be limited to hiring one firm.

Commissioner Covington asked which firm headquartered in San Francisco was Mr. Menchini speaking of, and if the Agency would be limited to hiring that firm.

Mr. Menchini stated he was referring to the firm of Stone and Youngberg, and if the Agency was going to limit itself to selecting a senior underwriter that was headquartered in San Francisco, the Agency would be limited to the firm of Stone and Youngberg.

Commissioner Covington stated she heard Mr. Calvin Grigsby state that his firm was headquartered in San Francisco.

Mr. Menchini stated that for senior manager positions of the firms considered, the only one headquartered in San Francisco is the firm of Stone

and Youngberg. Mr. Menchini stated that Grigsby and Associates and Backstrom McCarley Berry and Company were also headquartered in San Francisco, but unfortunately, he did not believe they had the capacity to undertake the type of financing proposed by the Agency, given the limited size of their retail institutional workforce, as well as the size of their capital.

Commissioner Covington stated she thought that some organizations staffed-up when they obtained large projects, and requested verification that was a typical business model.

Mr. Menchini stated he did not know if some organizations staffed-up when they obtained large projects. Mr. Menchini stated that a firm with a half a dozen employees seeking to find buyers of the Agency's bonds, could not be compared to a firm like UBS Securities, who had a huge retail network already in place nationwide and in California, and also had a capital base to price the Agency's bonds aggressively and to achieve a low-cost of financing.

Commissioner Covington stated that Grigsby and Associates had served as senior manager on a number of national projects, and perhaps in the past, had served as senior manager on some of the Agency's projects.

Mr. Menchini stated he believed that since 1996, there had been very few transactions that the Grigsby firm had undertaken, and that the comparisons made between Grigsby and Associates and Backstrom, McCarley, Berry LLC was invalid. Mr. Menchini stated that the Backstrom, McCarley, Berry firm started operations in 2002 and since then, had done quite a bit of work, whereas the numbers presented by Grigsby and Associates extended all the way back to 1984, and the RFP specifically requested that firms provide transactions from the year 2002. Mr. Menchini stated that transactions from 15 years ago may not necessarily be reflective of a firm's ability to sell the Agency's bonds today.

Commissioner Covington asked if there was a reason why Grigsby and Associates did not provide more recent information.

Mr. Menchini stated that Grigsby and Associates did provide the requested information, but of the figures provided, staff counted four, possibly six, financings since 1996.

Commissioner Covington stated at the last Commission meeting, Commissioner King who was away at a conference, took great pains to champion the firm of Grigsby and Associates, and that the head of the firm was unjustly prosecuted and was ultimately exonerated of all charges, and should be considered for work with the Redevelopment Agency. Ms. Covington asked if that factor was taken into consideration at all.

Mr. Menchini stated that Grigsby and Associates' litigation history was taken into consideration, and the new selection panel was very sensitive to the litigation claims history of each firm that was evaluated. Mr. Menchini stated that as a panel, some of the firms were given very low scores on their litigation claims history, including the firm being recommended, UBS Securities. Mr. Menchini stated he thought the fact that UBS scored number one under the first and the new panel, and that UBS was given a very low score in their litigation claims history, was an indication of the firm's strength and their ability to actually undertake a great financing for the Agency, to sell the Agency's bonds, and price the bonds aggressively. Mr. Menchini stated that the bonds would be outstanding for 30 years, and the capital appreciation bonds very like would not have an early-call provision where the bonds could be called before their final maturity.

Commissioner Covington referred to a memorandum from UBS Securities addressed to Mr. Menchini that was attached to the Commission memorandum, which was in direct response to Mr. Grigsby's comments that were made at the March 21st Commission meeting. Mr. Grigsby alleged in his comments that in 2000, UBS paid a major part of \$1.2 billion fine for taking gold and assets from Holocaust Jews, and admitted to using Jewish Holocaust victims as slaves. Ms. Covington read the responses from UBS: bullet number one, "In a widely publicized settlement in 1998, Swiss banks, including UBS AG, agreed to pay \$1.25 billion in settlement of all claims of Holocaust victims and their heirs against Swiss banks and government. The final installment was paid in 2000. An independent commission is responsible for the processing of the claims. The banks have no influence on the process, and the disbursement of the fund is ongoing." Bullet number two, "The Independent Committee of Eminent Persons under the supervision of former Fed Chairman Paul Volker found there was no evidence of organized discrimination by the banks against clients on the basis of their origins, nor of the systematic appropriation of the assets of Holocaust victims nor of the manipulation or unlawful destruction of records." Bullet number three, "There is no claim against UBS alleging victims of the Holocaust were being used as slaves. At no point has UBS ever used Jewish holocaust victims as slaves as stated by Mr. Grigsby." Ms. Covington asked if the Agency did an independent research to confirm or deny either Mr. Grigsby's allegations or the refutations from UBS.

Mr. Menchini stated that the matter of litigation claims was the responsibility of the Agency's legal staff, and that he knew that additional information was provided to the selection panel. Mr. Menchini stated that the ability to determine one way or the other, was beyond the capacity of the selection panel, and all the panel could go on were the accusations made as well as the responses provided by UBS.

Commissioner Covington asked rhetorically, if the ability to confirm the allegations and responses was beyond the capacity of very bright staff members to find out the truth.

Acting Executive Director Joanne Sakai stated that as Mr. Menchini stated, the Agency's legal staff was involved, and Acting General Counsel Penny Nakatsu could provide a response.

Ms. Penny Nakatsu, Acting General Counsel, stated that the Agency did an independent inquiry of the allegations made by Mr. Grigsby as well as the responses provided by UBS. Ms. Nakatsu stated that the allegations regarding the Holocaust victims were in fact claims that were asserted not against UBS Securities LLC, which was the responding party to the RFP, but these were all claims raised against UBS AG, the corporate parent of UBS Securities LLC. Ms. Nakatsu stated that there was no involvement as far as the Agency could determine, of UBS LLC in the claims asserted regarding involvement in Holocaust money-laundering by UBS AG.

Commissioner Covington asked how old an entity was UBS Securities LLC, the responding party to the RFP, because obviously, the parent company, UBS AG had been around since before World War II.

Ms. Nakatsu stated she did not have the information at hand, and perhaps representatives from UBS could respond.

Commissioner Covington stated that was not necessary, but that her main point was, these were very serious allegations to misappropriate the assets of millions of families, many of whom subsequently perished, and to use the survivors of Auschwitz and Birkenau, those horrible places, to use them as slaves, these were very serious charges and she would not want any connection whatsoever with the Agency of these very serious charges. Ms. Covington stated that a junior company to a parent company accused of such charges was how slavery worked in the United States, and that she wanted to make it clear that she was not accusing anyone at UBS. Ms. Covington stated she was speaking historically that for hundreds of years, African-Americans worked in this country for nothing, not pennies on the dollar, not cents per year, but nothing, and at the same time, people who were being paid, made lots and lots of money. Generations went by, the descendants of Black people who did not make any money, were still impoverished, and that was the truth. Ms. Covington stated it was not a mistake that so many African-Americans live marginally day-to-day, and it was not because African-Americans were inherently lazy, in fact, they were among the hardest-working people on the planet, but they had not been paid for their labor. Ms. Covington stated she was bringing up the issue to show that this was a very sensitive issue to her. Ms. Covington stated the same applied to companies, where the parent company was accused of corporate

wrongdoing, but the firms that come out of such parent companies, would be successors to the money that was made. Ms. Covington stated this was a very difficult issue for her and she was struggling because there were so many things that were making her very uneasy. Ms. Covington stated in no way, that she was saying that the individuals who work for UBS were not fine, upstanding and wonderful people. Ms. Covington stated she was also not saying that the Agency staff did not do the best they could, and thought that the RFP was flawed when it was issued, and that may be part of the problem.

Ms. Nakatsu added that the Agency did not have an explicit preference for San Francisco-based companies, but that would be a factor in the award of contracts.

Commissioner Covington stated she noticed that Mr. Bob Gamble, the Agency's former Deputy Executive Director for Finance and Administration, was on the second panel, but not the current Deputy Executive Director for Finance and Administration, who would seem to be one of the people on staff that would have the greatest knowledge about these things.

Mr. Menchini stated that the current Deputy Executive Director for Finance and Administration was on vacation when the selection panel was being formed and that was why she was not on the panel.

Commissioner Yee asked if staff had read the materials handed-out by Mr. Grigsby at the meeting. Mr. Yee stated the information in Mr. Grigsby's hand-outs was important in considering the matter. Mr. Yee stated he wholeheartedly supported Commissioner Covington's statements and because the matter was an important issue for Commissioner King, who was unable to attend the meeting due to an important obligation, he would put forth a motion to continue the matter until the next Commission meeting.

Commissioner Covington seconded Commissioner Yee's motion to continue the matter until the next Commission meeting.

President Peterson stated he would not support the motion to continue the matter because the matter had been before the Agency for over two months, and although he appreciated Commissioner Covington's comments, he did not think it was worthy to continue the item. Mr. Peterson stated the financing and timing of the bond issuance was very critical to the Agency's programs, and that if it was an important issue for Commissioner King, he could have called him about the calendared item. Mr. Peterson stated he thought there were politics at work and that he would not support the motion to continue.

Commissioner Romero stated he read the staff report thoroughly and that he knew that staff had carefully considered its recommendation, and he saw the horrible allegations, and it was not that he was indifferent to them, but he thought they had to be considered within the context in which they were being made. Mr. Grigsby was an interested party in the Commission's decision, and Mr. Grigsby would like to be selected as the underwriter for the Agency bonds. Therefore, there was a reason to question his motives in making the allegations, and they were allegations, not proven facts. Mr. Romero asked if the Agency was now to convene its own war crimes tribunal and determine if the allegations were true. Mr. Romero stated he would not think so, certainly not in the next two weeks, and that he did not know if the allegations were true or not about the parent company or actions taken almost 70 years ago, and he was not sure how Agency staff or anyone else, would go about trying to prove or disprove the allegations. Mr. Romero stated he could not imagine Mr. Grigsby doing his own investigation and that he must have heard about the allegations from somewhere. Mr. Romero stated that again, he did know if the allegations were true or not, and what was important to the Commission was the process undertaken by staff of twice putting out to bid in an even-handed and fair manner the RFP for the bond underwriting work. Mr. Romero stated that Mr. Grigsby was not selected on both occasions, and he was the only one to speak against the staff recommendation, and as the Commission heard, Mr. Grigsby would like a piece of the action. Mr. Romero stated that Mr. Grigsby did not tell the Commission that it should not select the recommended company because they were not qualified, instead, Mr. Grigsby asked the Commission to not select UBS solely because of the allegations of wrongdoings in the past and that he could prove it. Mr. Romero stated that Mr. Grigsby asked the Commission to select or include him as one of the underwriters, and that was a very different matter altogether. Mr. Romero stated he was not indifferent to the enslavement of any people including Holocaust victims, but this seemed to be like McCarthyism, that if you make allegations and scare enough people, that perhaps one could change the process. Mr. Romero stated he was sorry that the matter had escalated to such a level, but that the Commission must remember its role in the matter, and that the Agency staff was very experienced in these matters, and the reasons they had expressed on the selection of UBS were very clear. Mr. Romero stated he heard Mr. Menchini state that UBS had many many offices around the State to market the bonds, and that Mr. Grigsby did not have that many, and that he (Mr. Romero) was not going to second-guess the staff who was used to dealing with the Agency's bond issuance because they were much more experienced than he was. Mr. Romero stated he hoped that the Commission would vote on the matter today, and put a little faith on the Agency staff, unless the Commission could prove that the alleged war crimes were committed.

Commissioner Breed asked if the Agency was obligated to select the firm that received the highest scores in the ranking of the selection panel.

Mr. Menchini stated that the selection criteria were detailed in the RFP and that it would be difficult to justify the selection of a firm that was not ranked the highest. Mr. Menchini stated he believed that it would call into question why there was an RFP process that led to two selection panels ranking each firm and not selecting the firm that came in first.

Commissioner Breed stated that she was not completely clear, and requested verification that the firm of Stone and Youngberg was the only local San Francisco firm.

Mr. Menchini stated that the firm of Stone and Youngberg was the only local San Francisco firm that was a senior manager, but the firms of Grigsby and Associates and Backstrom, McCarley, Berry were also local San Francisco firms.

Commissioner Breed stated that based upon the information provided to the Commission, she was not completely comfortable as well, because she did not feel that a response letter from UBS was sufficient information for her to be comfortable moving the matter forward. Ms. Breed stated she was not comfortable primarily because of the concerns raised by Commissioner Covington, and that she would need more information about the very serious allegations. Ms. Breed stated she thought the Agency had options because the Commission was well within its discretion to make decisions as to whether or not to choose to go with the staff or panel's recommendation, or determine its own recommendation based on information provided to the Commission. Ms. Breed stated that the second group ranked only a couple of points below the highest-ranked firm, so that second group would definitely be qualified. Ms. Breed stated she specifically asked not only for UBS to respond to the allegations, but for staff to provide the Commission with details of whether or not the allegations were true. Ms. Breed stated as much as she did not want to prolong the matter, and she understood that there would be financial consequences for the Agency, she would like to be considerate towards Commissioner Covington's concerns, and she did not have all of the information she needed to feel comfortable moving forward.

Commissioner Singh stated he also agreed that the allegations were very serious, and asked what impact it would have if the matter was delayed for a couple of weeks.

Mr. Menchini stated that the Agency projects proposed to be financed with the anticipated bond proceeds would be delayed, and the Agency would not be able to enter into contracts for instance, to undertake improvements to Pier 40 until the Agency knew the funds were available, and the Agency

would not know if the funds would be available until the bonds were sold. Mr. Menchini stated that the Agency's affordable housing program would not be able to move forward without approximately \$45 million in anticipated bond proceeds. Mr. Menchini stated in addition, the further the matter was delayed, he thought there would be more questions raised by outside bond counsel because the Agency was moving beyond the fiscal year in which the authorization to sell the bonds was given. Mr. Menchini stated that ideally, the Agency should sell the bonds in the same year as the authorization was given, and it may be necessary to go back to the Board of Supervisors for additional authority, if the sale of the bonds was further delayed.

Commissioner Singh asked if the Board of Supervisors gave the Agency a time limit to sell the bonds. Mr. Singh requested verification that the Agency would have to pay higher interest if the bond issuance was delayed.

Mr. Menchini stated it was more of a legal issue with the Agency's bond counsel as they advised the Agency because they become uncomfortable when bonds that were authorized to be sold in one year and were not sold until the following year. Mr. Menchini affirmed that the Agency would have to pay higher interest if the bond issuance was delayed. Mr. Menchini stated that typically, the bond financing would take about 10 or 12 weeks before the bonds could be sold, and the longer the Agency waited, the greater the possibility of bond counsel raising concerns with the authorization.

President Peterson stated he had concerns that echo Commissioner Covington and Yee's, however he was also thinking about the Agency's fiduciary responsibility on behalf of the City and County of San Francisco. Mr. Peterson asked if the Commission was to select the second ranked firm, Citigroup, instead of the highest-ranked firm UBS Securities, would that remove the shadow of the horrible allegations against UBS, but still allow the Agency to move forward with its financing and still work with a capable senior manager.

Mr. Menchini stated he believed that the Commission would have the discretion to select the second-ranked firm as President Peterson suggested.

President Peterson stated he would hope that the matter would not be continued and the Commission could come to an agreement. Mr. Peterson stated that after the Commission votes on the motion to continue the item, he would put forth a motion to remove UBS Securities as senior manager for the issuance of the Agency bonds.

Commissioner Covington stated that according to Mr. Menchini, the bond issuance would take between 10 to 12 weeks and if the Commission acted to proceed, the issuance would go beyond the new fiscal year, and asked for verification.

Mr. Menchini stated that was correct, but the longer the issuance was delayed, he thought there would be concerns voiced by outside bond counsel if the bonds were sold say, in September or October, instead of in July.

Commissioner Covington stated her original comment was that Commissioner King was absent and presumably, he would be at the next Commission meeting, when the matter was proposed to be continued. Ms. Covington asked if UBS Securities came in first with both selection panels.

Mr. Menchini stated that UBS Securities came in first with both selection panels.

Commissioner Yee stated that staff was incorrect when they stated that recommendations from staff to the Commission should be followed. Mr. Yee stated he would remind everyone that the Commission did not follow staff's recommendation on the master developer for the Hunters Point Shipyard, and the Commission awarded it to Lennar/BVHP. Likewise, the Commission did not follow staff's recommendation for the Plaza Hotel project. Mr. Yee stated he wanted to point out that many times in the past, the Commission had not always followed staff's recommendations. Mr. Yee stated the Commission was faced with serious issues with the tax allocation bonds, and he did not see anything wrong with delaying the matter until the next Commission meeting, in order to show respect the Agency's senior Commissioner, Mr. King, who was absent. Mr. Yee stated that Commissioner Covington raised legitimate concerns, and the Commission should continue the matter until the next meeting.

Commissioner Romero asked if the Agency had done business with UBS Securities before.

Mr. Menchini stated that the Agency had not done business with UBS Securities before, but the Agency had done business with Paine Webber before, which was subsequently purchased by UBS Securities.

Commissioner Romero stated he noted that the proposed bond issuance was approximately \$70 million, and asked if Paine Webber was the last underwriter to handle an Agency bond issuance of this size.

Mr. Menchini stated that Paine Webber was not the last underwriter to handle an Agency bond issuance of that size, but the Agency did use Paine

Webber as a senior manager for a 1994 transaction, and had not utilized Paine Webber or its successor, UBS Securities since then.

Commissioner Romero asked if the Agency had done business with Grigsby and Associates before and for what quantity.

Mr. Menchini stated that the Agency had worked with Grigsby and Associates, in the early 1990s, and believed that Grigsby and Associates served as co-manager on a couple of mortgage revenue transactions.

Commissioner Romero asked what would be the potential loss of income to the Agency if the Commission did not approve staff's recommendation, either with a delay or the selection of an underwriter that was not ranked first.

Mr. Menchini stated the projects proposed to be funded with the \$70 million bond proceeds would not move forward, including affordable housing projects, support for the Museum of the African Diaspora, about \$4 million for the Pier 40 improvements, and if contracts were not let out, and there could potentially be increases in construction costs. Mr. Menchini stated that obviously, the Agency would not know how quickly interest rates would rise, and by the time the bonds were sold in about 10 to 12 weeks, the interest rates would be uncertain and may result in a higher cost of financing. Mr. Menchini stated that if the bond issuance is further delayed, there would be the possibility that bond counsel may not accept the authorization granted to the Agency in July 2005 by the Board of Supervisors, and would ask the Agency to go back to the Board of Supervisors for a new authorization.

Commissioner Romero requested verification that any further delay would give more opportunity for interest rates to go higher. Mr. Romero asked what a one point change in interest rate would mean for the proposed \$70 million bond issuance.

Mr. Menchini stated that additional delays would certainly have the potential for higher interest rates because the expectation was for interest rates to go higher. Mr. Menchini stated that the five-basis point increase cited in the Commission memorandum led to a \$1.2 million increase in interest costs, a 10-basis point increase would lead to a \$2.9 million increase.

Commissioner Singh referred to the informational memorandum regarding the Agency's tax allocation debt in the amount of \$533 million, and asked if there was any additional outstanding debt.

Mr. Menchini stated that the \$533 million was the total outstanding tax allocation bonds as of today, and the figure had not changed.

Commissioner Singh stated that in addition, the Agency would be paying about \$50 million in debt service, and if there was further delay in the bond issuance, there may be the potential for higher interest rate costs, and the issues were proving to be very difficult for him. Mr. Singh stated that on one hand, he agreed with Commissioners Covington and Yee, but on the other hand, he believed the Agency should move forward with the proposed bond issuance in order to finance the Agency's important projects.

Commissioner Breed asked if representatives from UBS Securities and Backstrom, McCarley, Berry were in attendance, and if so, to introduce them.

Mr. Menchini introduced representatives from UBS Securities and Backstrom, McCarley, Berry.

Commissioner Breed stated that her issues were a reflection of Commissioner Covington's concerns, but regarding the RFP process, she wanted to have respect for the RFP process and respect for the firms who did the work to submit responses to the RFP. Ms. Breed stated as far as she was concerned, based upon the information provided to the Commission, she was prepared to move forward with staff's recommendation. Ms. Breed stated the other concern was with an African-American group that was qualified to take on the work and the Commission's desire to see more African-American and minority firms involved in the Agency's work, and how to balance this with the Commission's fiduciary responsibility. Ms. Breed stated she understood the time urgency of the matter, and although she did not feel personally offended with the allegations asserted, because of the information provided to the Commission, she would still like to support her fellow Commissioners and if the Commission wanted to move forward with the item, she would support that. Ms. Breed stated that if more information was needed to allow the Commission to make an informed decision, she would also support that, but that this was one of the toughest decisions she had to face because of the issues involved. Ms. Breed stated she recalled President Peterson suggested removing UBS Securities, but that would be easier said than done, because they also participated in the RFP process as did everyone else, and if that would put some of the Commissioners at ease, she would be happy to support that, however, she did not know if that would be fair. Ms. Breed stated she did not think that the Commission should delay the matter because the Commission would be financially irresponsible. Ms. Breed asked if the Commission could approve the matter contingent upon the Commission receiving additional information about the allegations asserted against UBS.

Ms. Nakatsu stated that in theory, the Commission could approve the matter contingent upon the Commission receiving additional information about the allegations asserted against UBS, but if the Commission had significant questions, it should first receive responses to the questions rather than putting a condition on the resolution.

Commissioner Breed stated that the Commission would have the option to include contingencies to the resolution, like asking staff to do additional research on the allegations asserted.

Commissioner Yee stated this was a very important issue for the Agency, and he wanted to make clear that his motion was to continue the matter until the next Commission meeting, and that his purpose was not to kill the item. Mr. Yee stated he did not want the same thing to happen with a previous matter that resulted in a tie vote of the Commission. Mr. Yee called for the question on his motion to continue the item.

Commissioner Covington stated she did not know what further information the Commission could get beyond the memo from UBS, which stated that they paid a major part of \$1.2 billion fine and that they paid a penalty of \$100 million to the United States for sending dollars to Cuba, Libya, Iran and Yugoslavia in violation of US sanctions. Ms. Covington stated the information was right there in the UBS memo, and that she agreed with Commissioner Yee that the continuance did not mean killing the item.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. COVINGTON, TO CONTINUE ITEM 4 (e) RESOLUTION NO. 67-2006, AUTHORIZING THE ENGAGEMENT OF UBS SECURITIES LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND BACKSTROM MCCARLEY BERRY & CO, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS THE UNDERWRITERS FOR THE ANTICIPATED ISSUANCE OF THE 2006 TAX ALLOCATION BONDS BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, TO THE COMMISSION MEETING OF JUNE 6, 2006, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING WERE ABSENT:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, THREE (3) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION TO CONTINUE ITEM 4 (e) FAILED.

Commissioner Breed put forth a motion to select the second-ranked firm, Citigroup, as the senior manager for the Agency's bonds, to address Commissioner Covington's concerns, and since the motion to continue failed.

Commissioner Romero put forth a point of order, and stated that he had earlier made a motion to adopt item 4 (e), and that he would like to comment on the motion to adopt.

President Peterson stated that the Commission could do what it would like to do, and although Commissioner Covington had concerns about the highest-ranked senior manager, he would support staff's recommendation, however, he felt it was more important for the people of San Francisco and the Agency to have the funding they required, and that he would be in favor if the other Commissioners would support him, and he would apologize to UBS in this regard, he would suggest for the Commission's consideration that the Commission select Citigroup as the senior manager to underwrite issuance of the Agency's bonds.

Commissioner Romero stated as he looked at the memorandum from UBS, it was not clear to him that they made the admissions that Commissioner Covington mentioned in her last comments. Mr. Romero stated he was not trying to get into a debate, but that none of the Commissioners had the information necessary to determine if the allegations were true or not, and that was why he had taken the position he had, because if one looked at the memorandum from UBS carefully, the items in bold were the allegations made by Mr. Grigsby, and the bulleted, italicized items below were the responses from UBS. Mr. Romero stated as an example, where the memorandum stated "In 2004 paid penalty of \$100 million, etc.," that was the allegation and not the admission, and the response from UBS had somewhat of an admission that something happened, but it did not clearly admit that they paid the \$100 million penalty. Mr. Romero stated the problem he had with the whole scenario was the seriousness of the allegations asserted, and if there was a non-governmental organization like Amnesty International or somebody that he thought had a neutral credibility

with some evidence that perhaps pursued the allegations before the appropriate forums, he would have a much different reaction and would be the first to throw out UBS Securities. Mr. Romero stated what the Commission had instead, were allegations that nobody knew if they were true or not, and if the allegations were proven to be true, then he would readily admit he was wrong, but he would like the Commission to prevent from falling into a way of proceeding in which somebody could come to the microphone and make extreme allegations and ignore all of the work of staff and perhaps, a company that could do a great job for the Agency that was innocent or at least, far enough removed from the allegations, that it should not be held against them. Mr. Romero stated he was not sure about including contingencies on the approval of the resolution, and that in the past the Commission had gone ahead and awarded a contract in spite of public testimony that was proven to be true, and the Commission had to reverse its action, and perhaps that would be the case with the bond underwriters, but at this point, he did not think the Commission had the grounds to overstep the staff's recommendation. Mr. Romero stated he was glad that the motion to continue failed, as the Commission could have a worse case scenario, because Grigsby and Associates was ranked 10th on the score sheets, and the suggestion was not to remove UBS and select Grigsby and Associates, but to give the underwriting to Citigroup, who was not even in attendance. Mr. Romero stated it did not make sense to him, and that he would not support selecting Citigroup. Mr. Romero stated this was a scenario where the Commission was tested to either put its faith on the Agency staff or not, and if the Commission was going to second-guess staff's recommendation or lobbied individually on a matter of great significance, Commissioners better be sure they knew what they were doing. Mr. Romero stated at this point, he would rather put his faith on staff's recommendation.

President Peterson stated that he would be in favor, if the Commission were, to adopt the item in its present form, which he would support, and if the allegations were substantiated or if additional evidence came forward over the course of the next year, the Commission could certainly decide not to use UBS Securities on any further Agency bond offerings.

Commissioner Yee stated he was against Commissioner Romero's motion to adopt item 4 (e) because it did not show respect to Commissioner King and ignored the concerns brought up by Commissioner Covington and echoed by Commissioner Breed.

Commissioner Singh stated it was a very difficult decision for him, but because of the time urgency, he thought that the Commission should move forward. Mr. Singh seconded Commissioner Romero's motion to adopt item 4 (e). Mr. Singh stated that Grigsby and Associates should be considered for future work with the Agency.

President Peterson stated he thought he might be in favor of voting against the motion or to continue the matter as was earlier suggested by Commissioner Yee, if Grigsby and Associates was even close in the rankings, which he was not. Mr. Peterson stated he thought that there was some politics going on, and thought there were a few Commissioners that had been professionally lobbied, by former Supervisor Doris Ward, and thought that this had more to do with Mr. Grigsby getting a piece of the action, than it did with everything else that had been discussed. Mr. Peterson stated he thought that the idea of continuing the matter or voting it down in order to allow Commissioner King to get involved, was really a result of the lobbying, and that was politics. Mr. Peterson stated that was not what the Commissioners should be doing on the Agency Commission, and Commissioners should not be overly influenced by lobbyists to the extent that the Commission was not getting the people's business done, and that he was afraid that politics were at work. Mr. Peterson stated that if the issue was about slavery and Holocaust victims, then he would say that the Agency need not use UBS Securities, but if the issue was to continue or vote the item down so as to facilitate for Commission King to somehow resuscitate Mr. Grigsby's fortunes before the Agency Commission, it would certainly not get his support. Mr. Peterson stated that there had been allegations made against Mr. Grigsby by the Federal Government, and although he may not have been convicted, but the allegations may well be supported. Mr. Peterson stated he did not think he could ever support, from what he had learned since Mr. Grigsby's trail of disparaging remarks at the last Commission meeting in which he (Mr. Grigsby) testified, and did not think that he could ever support Mr. Grigsby. Mr. Peterson stated he was sorry about that, and he was not sure if the City had done much business with Mr. Grigsby lately.

Commissioner Covington stated that if Commissioners were going to talk about lobbying, what President Peterson stated to the people in attendance at the meeting and to the people listening on the radio, was essentially lobbying the staff, because Mr. Peterson just told staff that he could never support Mr. Grigsby. Ms. Covington stated she never said anything about Mr. Grigsby moving up the ranks, and since she was the person who brought the issues up, she took issue with Mr. Peterson's remarks. Ms. Covington stated she had been heavily lobbied by history, and she would always continue to be lobbied by history, because reading of history and analysis of history would help people stay out of trouble, because history does repeat itself. Ms. Covington stated no one had lobbied her, and people talked with her and she listened and that was why they were Commissioners, to listen to the people of the City and County of San Francisco, and to read the agenda packets. Ms. Covington stated she thought it was a problem when the President of the Commission stated that he would never, under any circumstances, support a particular person who had business before the Agency Commission, especially a person who was accused of something and was found to be innocent of those accusations.

President Peterson stated he did not believe the matter ever went to trial, so he did not believe Mr. Grigsby was found innocent, but that he believed that the case was dropped, and there was a difference. Mr. Peterson stated that on the item regarding the Holocaust, it was his proposal that if it was such a serious question for Commissioner Covington and the Commission, that the Commission could simply remove UBS from consideration.

Commissioner Romero stated this was the problem with the kind of allegations that had been asserted, and although Commissioners were rational people, everyone had things they felt strongly about. Mr. Romero stated he thought the Commission was a lot closer than it seemed in its views about such issues than what appeared to be emerging in the debate. Mr. Romero stated that extreme allegations bred extreme reactions and emotions, and that was why he found in those moments, it was most important for Commissioners to focus on the process that they knew, and that led him to making the motion to adopt the item. Mr. Romero stated he would urge his fellow Commissioners to have cool heads and to think about the process, and what the Commissioners were there for specifically, because the Commission was not there to prosecute Mr. Grigsby or UBS. Mr. Romero stated the Agency did not start the allegations and the Agency was just responding to them because Commissioners were also human beings like everyone else, but the Commissioners did know the economic reasons that led to the staff recommendation, including the process that staff went through for the selection and recommendation to the Commission. Mr. Romero stated the bottom line for him was, did he have enough reliable evidence or enough of a question about the evidence that was available, to make him not support the staff recommendation, because a lot of money was involved and the Agency had a lot of bond issuances in the past, and unless there was a really good reason to not support the staff recommendation, the Commission should vote for it.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, THAT ITEM 4 (e) RESOLUTION NO. 67-2006, AUTHORIZING THE ENGAGEMENT OF UBS SECURITIES LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND BACKSTROM MCCARLEY BERRY & CO, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS THE UNDERWRITERS FOR THE ANTICIPATED ISSUANCE OF THE 2006 TAX ALLOCATION BONDS BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Ms. Covington
Mr. Yee

AND THE FOLLOWING WERE ABSENT:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, TWO (2) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 67-2006 WAS ADOPTED.

At this time, approximately 5:49 p.m., Executive Director Marcia Rosen arrived at the meeting

- 4 (f)** Resolution No. 68-2006, Authorizing a regulatory and grant agreement in an amount not to exceed \$2,035,691; a tax increment loan agreement in an amount not to exceed \$1,922,162; and a lease option agreement with West Bay Housing Corporation, a California nonprofit public benefit corporation, and Satellite Housing, Inc., a California nonprofit public benefit corporation, for the development of very low-income rental housing on Central Freeway Parcel Q, southwest corner of Octavia Boulevard and Oak Street; Citywide Tax Increment Housing Program

Executive Director Rosen, before introducing the staff presentation, reported that the Board of Supervisors with a vote of six to three, adopted on first reading, the ordinance approving the Bayview Hunters Point Redevelopment Plan Amendment.

Presenters: Pam Sims (Agency staff)

Speakers: Paula Cook, Todd (no last name given)

Commissioner Breed stated it was wonderful to see all of the people who came to the meeting on the proposed project. Ms. Breed stated the project looked great and that she was excited about the beautiful building. Ms. Breed put forth a motion to adopt item 4 (f).

Commissioner Singh seconded Commissioner Breed's motion to adopt item 4 (f). Mr. Singh asked if West Bay Housing had done other projects with the Agency or elsewhere in the City.

Ms. Pamela Sims, Development Specialist, stated that West Bay Housing had not done other projects with the Agency and Central Freeway Parcel Q would be their first project with the Agency.

Ms. Paula Cook of West Bay Housing stated that West Bay Housing was a co-developer on the feasibility of the addition to the Rosa Parks Senior Housing, which would include units for 5 or 10 clients with developmental disabilities. Ms. Cook stated that they were also working with the Golden Gate Regional Center to identify and analyze opportunities for placing clients who were currently in Laguna Honda Hospital. Ms. Cook stated that they also had other projects in Redwood City.

Mr. Ryan Chao of Satellite Housing, stated that West Bay had a lot of experience in working with the population they were seeking to serve, and Satellite Housing had over 40 years of experience in housing development, having built 17 projects throughout the Bay Area, serving 1,350 people. Mr. Chao stated that 16 of those projects used Department of Housing and Urban Development (HUD) financing.

Commissioner Covington stated that the architectural renderings were good and building design was gorgeous, but the rendering left out a lot of traffic on that corner. Ms. Covington stated that the traffic on that corner was horrendous and that was her only concern about the project, which she had mentioned several times. Ms. Covington asked what kind of mitigation measures would be taken to make sure that people would be safe as they crossed the very busy street.

Ms. Sims stated as a result of Commissioner Covington's concerns at the previous Commission meeting, the co-developers had entered into an agreement with a traffic engineer, and they had begun the process of conducting a traffic study to determine the traffic patterns on the corner. Ms. Sims stated that in addition, the co-developers would incorporate a traffic training program for the prospective residents to ensure safety when crossing the street.

Commissioner Covington stated she was glad to hear that because she wanted people not only to be happy, but also safe. Ms. Covington inquired about the street trees that were planted as part of the Octavia Boulevard project, and asked if the street trees would remain during construction.

Ms. Sims stated that the street trees may have to be removed during construction and replanted after.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 68-2006, AUTHORIZING A REGULATORY AND GRANT AGREEMENT IN AN AMOUNT NOT TO EXCEED \$2,035,691; A TAX INCREMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$1,922,162; AND A LEASE OPTION AGREEMENT WITH WEST BAY HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND SATELLITE HOUSING, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF VERY LOW-INCOME RENTAL HOUSING ON CENTRAL FREEWAY PARCEL Q, SOUTHWEST CORNER OF OCTAVIA BOULEVARD AND OAK STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (g) Resolution no. 69-2006, Authorizing a purchase and sale agreement with the City and County of San Francisco, a municipal corporation, for the acquisition of real property located at the southwest corner of Broadway at Battery, for an amount not to exceed \$1,500,000, for disposition and development as affordable housing; Citywide Tax Increment Housing Program

Presenters: Lucia Tall Chief Mele (Agency staff)

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 69-2006, AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, FOR THE ACQUISITION OF REAL PROPERTY LOCATED AT THE SOUTHWEST CORNER OF BROADWAY AT BATTERY, FOR AN AMOUNT NOT TO EXCEED \$1,500,000, FOR DISPOSITION AND DEVELOPMENT AS AFFORDABLE HOUSING; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (h) Public Hearing on the Draft Environmental Impact Report for the 74-unit residential project located at 64-72 Townsend Street, Assessor's Block 3789, Lot 3, located at the northwest corner of Townsend and Colin P. Kelly Jr. Streets; Rincon Point-South Beach Redevelopment Project Area

Presenters: Tiffany Bohee (Agency staff)

- 4 (i) Resolution No. 70-2006, Authorizing a Third Amendment to (1) the Memorandum of Understanding and the Grant Agreement with Bindlestiff Studio, a California nonprofit public benefit corporation, and (2) the fiscal agent contract with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, as the fiscal agent for Bindlestiff Studio, to extend their terms from December 31, 2005 to May 31, 2007, to enable additional predevelopment activities for a new community theater at the Plaza Apartments, 988-992 Howard Street; South of Market Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: June Parina, Chris Durazo, Jamie Mancini

Commissioner Singh asked what the main source of income was for Bindlestiff Studio, and what the average attendance at the performances was.

Mr. Mike Grisso, Project Manager, stated that the primary source of income for Bindlestiff Studio was ticket sales for their shows.

Mr. Bryan Pangilinan, Managing Director of Bindlestiff Studio, affirmed that their primary source of income was from ticket sales, and in 2005, they produced 80 shows and had revenues of about \$30,000. Mr. Pangilinan stated that their shows had great attendance even while performing at the interim space on Natoma Street and the average attendance was about 70 people per show.

Commissioner Singh stated he recalled there was a young lady name Olivia that used work with Bindlestiff Studio, and asked if she was still involved.

Mr. Pangilinan stated that Commissioner Singh was speaking of Ms. Olivia Malabuyo who now works for a non-profit organization in the East Bay, but still serves in an advisory capacity to Bindlestiff Studio.

Commissioner Singh put forth a motion to adopt item 4 (i). Commissioner Covington seconded the motion.

Commissioner Breed asked if Bindlestiff Studio had a lease with the Plaza Hotel before they left the hotel.

Executive Director Rosen stated that Bindlestiff Studio had a month-to-month lease. They were a tenant in place at the time the Agency acquired the property, and the Agency continued their tenancy until the building had to be demolished to construct the newly completed Plaza Apartments. Ms. Rosen stated the Agency provided relocation assistance as well as provided the grant and had been planning with them.

Commissioner Breed stated the impression she was getting was Bindlestiff Studio had some entitlement to the space, and she wanted to make sure that it was because the Agency had made the decision to work with the organization in order to make sure that they could return to the new space. Ms. Breed asked if there was an agreement.

Executive Director Rosen stated when the Commission adopted the resolution that assigned the Plaza Apartments development to the Public Initiatives Development Corporation (PIDC), the resolution also included a provision that the Agency work with Bindlestiff Studio, hoping that they could relocate to the newly constructed Plaza Apartments, and the Agency had been working with Bindlestiff Studio towards that end. Ms. Rosen stated beyond that, the Agency had not taken any additional action with respect to Bindlestiff Studio. Ms. Rosen stated the staff was contemplating bringing a lease for the Commission's consideration as the partnership with Bindlestiff Studio evolved. Ms. Rosen stated that the Agency was working and cooperating with the Mayor's Office of Community Development (MOCD) to assist Bindlestiff Studio to diversify its sources of funding and access the Community Development Block Grant (CDBG) funds.

Commissioner Breed stated that Bindlestiff Studio could access the CDBG funds with a letter from the Redevelopment Agency stating that Bindlestiff Studio was in the process of returning to the new space at the Plaza Apartments.

Executive Director Rosen stated that staff had been in discussions with the MOCD staff as to what Bindlestiff Studio may need as well as the time frame for accessing the CDBG funds. Ms. Rosen stated the action that the Commission took at its previous meeting to authorize the Agency to enter into an agreement related to the South of Market Community Benefits District from the Rincon Hill Assessment District would qualify Bindlestiff Studio for that funding, and the Agency hoped to stimulate additional capital grants by structuring that portion of the Agency's grant agreement as a matching grant. Ms. Rosen stated that staff was working very closely with Bindlestiff Studio, and staff was very heartened by their recent progress and recent additions to their staff and board of directors, and the seriousness of their purpose.

Commissioner Breed stated she was supportive of Bindlestiff Studio and what they had done in the past as well as what they were trying to do. Ms. Breed stated as a director of an arts organization, she understood the difficulties that arts organizations faced, and it was unfortunate that some agreements were made between Bindlestiff Studio and the Agency to develop the theater space, because as an arts organization, she did not think it was realistic to expect an organization of that nature to be a developer, but at the same time, she thought that because the Agency was not obligated due

to the lease issues, it was a good partnership and a good team effort, and it seemed that everyone was putting their best foot forward to try and accommodate one another and to make things easier. Ms. Breed stated as she previously stated, as much as she hoped that Bindlestiff Studio could raise the funds, she did not know how realistic that was to expect of Bindlestiff Studio, and she wanted to make sure that Bindlestiff Studio knew that the Agency would not be completely responsible, and to the extent that the Agency had funds available to help, it would do so. Ms. Breed stated she definitely supported Bindlestiff Studio and hoped that they would continue to move forward, and from the Agency's standpoint, she was really happy to see that staff had been really supportive and working with Bindlestiff Studio.

President Peterson stated there should be a diverse group of people that would be willing to contribute to Bindlestiff Studio's worthy cause, and asked if they had identified wealthy Filipino-Americans in the Bay Area, because that would be the key to their fundraising efforts moving forward.

Mr. Alex Torres, a board member of Bindlestiff Studio, stated that they had been trying to identify wealthy Filipinos as well as others who are supportive of Filipinos. Mr. Torres stated they had been in communications with many people including the Philippine Consulate, but the only thing that was hindering them was that as of December 2005, they did not have an agreement with the Agency, but with the favorable consideration of the Commission to extend the grant agreement, they could approach potential donors with the support of the Agency and the City and County of San Francisco. Mr. Torres stated that the grant agreement would greatly improve their fundraising efforts moving forward.

President Peterson lent his support and asked Mr. Torres to get in touch with him when they were ready as he would have a couple of names as potential contributors.

Ms. June Parina of Bindlestiff Studio stated that they had already invited big Filipino families like the Banatao's and Yuchengco's to their shows, and although they were impressed with the performances, they felt a little concerned with safety of the interim location in the Natoma alleyway, and expressed their desire to see a new theater space, which could now be shown to potential donors.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 70-2006, AUTHORIZING A THIRD AMENDMENT TO (1) THE MEMORANDUM OF UNDERSTANDING AND THE GRANT AGREEMENT WITH BINDLESTIFF STUDIO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND (2) THE FISCAL AGENT CONTRACT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AS THE FISCAL AGENT FOR BINDLESTIFF STUDIO, TO EXTEND THEIR TERMS FROM DECEMBER 31, 2005 TO MAY 31, 2007, TO ENABLE ADDITIONAL PREDEVELOPMENT ACTIVITIES FOR A NEW COMMUNITY THEATER AT THE PLAZA APARTMENTS, 988-992 HOWARD STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- President Peterson stated he wanted to address the bond underwriter matter, and that he wanted to communicate to Commissioner Covington that he was not suggesting that she did anything untoward or anything unethical. Mr. Peterson stated that in fact, he did not even know and did not suggest that he knew that she had been lobbied, but that he did believe there were some lobbying, and that he did not mean to point fingers at Commissioner Covington and he was just trying to provide some options for the Agency to address her concerns and still provide for the business of the City to move forward. Mr. Peterson stated that was the spirit his comments were meant and that he had a lot of respect for Commissioner Covington and he wanted to communicate that to her.
- Mr. Peterson stated he wanted to clarify his statements about Mr. Grigsby, and stated that he had nothing against Mr. Grigsby as he had never met him and he could be a fine man, and believed that if there were allegations, they could just be allegations and he was not found guilty of anything. Mr. Peterson stated he also felt that people should be given second chances that may have been found guilty. Mr. Peterson stated he wanted to restate that he did not have a predisposition against ever working with Mr. Grigsby, and although he thought that it would be an upward climb with the Agency Commission, if the staff came with a recommendation that Mr. Grigsby was the best person for a particular project, he would have an open mind.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen reported that the Agency had been invited by the California Department of Toxics Substances to join with them and the City of Los Angeles in applying for an Environmental Protection Agency (EPA) Brownfields Revolving Loan Program, and she received a telephone call informing that the program was awarded by the U.S. EPA, and the Agency would look forward to having a revolving loan program to assist property owners in the Bayview who had toxic substances on their properties and help with clean-up and remediation. Ms. Rosen stated staff was expecting to receive the official letter and would inform the Commission with the start date of the program and eligible projects.

9. COMMISSIONERS' QUESTIONS AND MATTERS None.

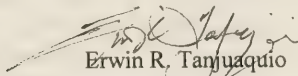
10. CLOSED SESSION

- 10 (a)** Pursuant to Government Code § 54956.9(c): Conference with Legal Counsel regarding initiation of litigation: one potential case.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:06 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

June 6, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
6TH DAY OF JUNE 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 6th day of June 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:04 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but are related to general Agency business would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond, on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of May 16, 2006

4 (b) Resolution No. 71-2006, Authorizing payment to the Human Rights Commission of the City and County of San Francisco in the amount of \$65,000 for fiscal year 2004-2005 and \$65,000 each for fiscal years 2006-2007, 2007-2008 and 2008-2009, subject to appropriations, for the Agency's share of the cost of administrative and technical support, as well as outreach, for the Agency's Surety Bond Program

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF MAY 16, 2006, AND 4 (b) RESOLUTION NO. 71-2006, AUTHORIZING PAYMENT TO THE HUMAN RIGHTS COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO IN THE AMOUNT OF \$65,000 FOR FISCAL YEAR 2004-2005 AND \$65,000 EACH FOR FISCAL YEARS 2006-2007, 2007-2008 AND 2008-2009, SUBJECT TO APPROPRIATIONS, FOR THE AGENCY'S SHARE OF THE COST OF ADMINISTRATIVE AND TECHNICAL SUPPORT, AS WELL AS OUTREACH, FOR THE AGENCY'S SURETY BOND PROGRAM, BE ADOPTED.

REGULAR AGENDA

Items 4 (c) and (d) were presented together and acted upon separately.

4 (c) Resolution No. 72-2006, Authorizing a 2006-2007 Fiscal Agent Agreement with the County of Marin in an amount not to exceed \$645,832, from July 1, 2006 to June 30, 2007, as part of the Housing Opportunities for Persons With AIDS Program

4 (d) Resolution No. 73-2006, Authorizing a 2006-2007 Fiscal Agent Agreement with the County of San Mateo in an amount not to exceed \$681,698, from July 1, 2006 to June 30, 2007, as part of the Housing Opportunities for Persons With AIDS Program

Presenters: Chris Harris (Agency staff)

At this time, approximately 4:12 p.m., Commissioner King arrived at the meeting.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 72-2006, AUTHORIZING A 2006-2007 FISCAL AGENT AGREEMENT WITH THE COUNTY OF MARIN IN AN AMOUNT NOT TO EXCEED \$645,832, FROM JULY 1, 2006 TO JUNE 30, 2007, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 73-2006, AUTHORIZING A 2006-2007 FISCAL AGENT AGREEMENT WITH THE COUNTY OF SAN MATEO IN AN AMOUNT NOT TO EXCEED \$681,698, FROM JULY 1, 2006 TO JUNE 30, 2007, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

- 4 (e) Resolution No. 74-2006, Authorizing execution of a Personal Services Contract with Aim to Please Janitorial Service, a sole proprietorship, for a term of one year with two one-year options, in an amount not to exceed \$83,000 for the first year and a total aggregate amount not to exceed \$262,000, subject to the annual appropriation of funds, for janitorial services at South Beach Park and Harbor; Rincon Point-South Beach Redevelopment Project Area

Presenters: Jim Nybakken (Agency staff)

Commissioner Singh asked where the contractor was.

Mr. Jim Nybakken, Harbor Manager, stated that he was not sure where the contractor was because they were supposed to come to the meeting, and they may have been delayed by traffic.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 74-2006, AUTHORIZING EXECUTION OF A PERSONAL SERVICES CONTRACT WITH AIM TO PLEASE JANITORIAL SERVICE, A SOLE PROPRIETORSHIP, FOR A TERM OF ONE YEAR WITH TWO ONE-YEAR OPTIONS, IN AN AMOUNT NOT TO EXCEED \$83,000 FOR THE FIRST YEAR AND A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$262,000, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS, FOR JANITORIAL SERVICES AT SOUTH BEACH PARK AND HARBOR; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED

- 4 (f) Resolution No. 75-2006, Authorizing execution of a Personal Services Contract with Inter-State Security, Inc., a California corporation, for a term of one year with two one year options, in an amount not to exceed \$75,000 for the first year and a total aggregate amount not to exceed \$240,000, subject to the annual appropriation of funds, for security guard services at South Beach Park and Harbor; Rincon Point-South Beach Redevelopment Project Area

Presenters: Jim Nybakken (Agency staff)

Commissioner Romero stated he wanted to thank the contractor for coming to the meeting. Mr. Romero put forth a motion to adopt item 4 (f).

Commissioner Singh seconded Commissioner Romero's motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) AUTHORIZING EXECUTION OF A PERSONAL SERVICES CONTRACT WITH INTER-STATE SECURITY, INC., A CALIFORNIA CORPORATION, FOR A TERM OF ONE YEAR WITH TWO ONE YEAR OPTIONS, IN AN AMOUNT NOT TO EXCEED \$75,000 FOR THE FIRST YEAR AND A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$240,000, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS, FOR SECURITY GUARD SERVICES AT SOUTH BEACH PARK AND HARBOR; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (g) Resolution No. 76-2006, Approving a fiscal year 2006-2007 budget for the South of Market Project Area Committee in an amount not to exceed \$199,564, subject to appropriation by the Board of Supervisors, South of Market Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Charles Range

Commissioner Yee stated that the South of Market Project Area Committee (PAC) was doing an outstanding job and that he was amazed to hear that the PAC still had money left over from the previous year. Mr. Yee stated he looked forward to the completion of the project, and put forth a motion to adopt item 4 (g).

Commissioner Breed seconded Commissioner Yee's motion.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 76-2006, APPROVING A FISCAL YEAR 2006-2007 BUDGET FOR THE SOUTH OF MARKET PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$199,564, SUBJECT TO APPROPRIATION BY THE BOARD OF SUPERVISORS, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h) Resolution no. 77-2006, Authorizing an exclusive negotiations agreement with Mercy Housing California, a California nonprofit public benefit corporation, and Community Housing Partnership, a California public benefit corporation, for the development of 120 units of very low-income supportive housing on Central Freeway Parcel G, southeast corner of Gough and Fulton Streets; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenters: Erin Carson (Agency staff)

Speakers: Jeff Kositsky, Sheila Jivan, Arnold Townsend, Ace Washington

Commissioner Yee stated he thought that the public should understand the Commissioners were there to make the decisions for the Agency and not just follow whatever staff recommended. Mr. Yee stated he was glad to see members of the public speak out and that he wholeheartedly support their statements about staff not following the process of going through the Citizens' Advisory Committee (CAC) before making recommendations to the Commission. Mr. Yee stated he would make a motion to continue the item and asked how much time the CAC needed to review the matter.

Rev. Arnold Townsend, Chair of the Western Addition CAC, stated that their next meeting was scheduled for June 8th and it was too late to add the item to that meeting, so the next CAC meeting would be the second Thursday in July.

Executive Director Rosen informed that there was only one Commission meeting scheduled for the month of July, on July 18th, and asked Rev. Townsend if that was adequate time.

Rev. Townsend stated that the July 18th Commission meeting would work with the CAC's schedule.

Commissioner Yee put forth a motion to continue item 4 (h) to the Commission meeting of July 18th.

Commissioner Breed seconded Commissioner Yee's motion to continue item 4 (h) to the Commission meeting of July 18th.

Commissioner King stated he supported the motion to continue the item and that the Commission could always call for a special meeting if the matter could not wait and if it was important enough.

Commissioner Covington asked if the Agency had printed guidelines for inclusion of input by members of the various CACs on the selection of developers and other service providers. Ms. Covington stated that if the Agency did not have written guidelines for including input from CACs, the Agency should develop such guidelines.

Executive Director Rosen stated she did not believe there were written guidelines, but in the past, the developer selection had gone according to the process outlined in the Request for Proposals (RFP). In this case, the RFP talked about a CAC-sponsored community meeting to make sure that CAC representation was included in the evaluation process. Ms. Rosen stated that the Agency had a member of the CAC who sat on the selection panel and that the community meeting sponsored by the CAC had members of the Agency staff as well as the developers to hear all of the concerns voiced. Ms. Rosen stated the selection panel did the actual due diligence and evaluated the written proposals, and attended the interviews, followed by a recommendation to the Executive Director, which generally was recommended to the Commission. Ms. Rosen stated that the developer selection in two separate ways, took into account the CAC's viewpoint: one by asking the CAC to sponsor the community meeting, and secondly, by insuring that a member of the CAC was on the selection panel, privy to all of the interviews and deliberations of the selection panel. Ms. Rosen stated there was a similar process with the selection of the developer for Parcels A and C, and the CAC did not actually vote to endorse a particular developer or not, although all of the developers did make presentations and their input was taken into account by the selection panel, which included representation from the CAC. Ms. Rosen stated she believed that Ms. Sandy Mori represented the CAC for Parcels A and C, and Ms. Cheryl Davis represented the CAC for Parcel G.

Commissioner Covington thanked Ms. Rosen for the background information, and stated that if members of the CAC who were not selected to be on the selection panel, they would not be privy to the panel's deliberations, and as a member of the CAC giving their time and energy in general, it would really help inform the process if there was feedback from the CAC as a whole, about which developer might work best for the community. Ms. Covington stated she was not saying that the CAC would be the determining body, but that their input would be considered in a real way. Ms. Covington stated she knew that the Commission could not look at such guidelines for including input at the meeting, but it was something to look at for the future, because the problem kept coming up.

Commissioner Romero stated he did not hear any of the speakers speak against the recommended developer, but heard concerns about the process. Mr. Romero asked if a five-week delay would be harmful to the project and would result in additional costs to the Agency.

Executive Director Rosen stated she believed that at the early stage of the development, she did not believe that a delay would unduly hurt the Agency or the developer.

Mr. Olson Lee, Deputy Executive Director for Housing, stated that Executive Director Rosen was correct, and it was early enough in the development process, that a short delay would not adversely impact the project.

Commissioner Romero stated he wanted to be clear in his mind about the protocol between a Project Area Committee (PAC) and a CAC, and asked if the Western Addition CAC had the same legal posture as a PAC.

Executive Director Rosen stated as Commissioner Romero was aware, a PAC would be mandated by State law under certain circumstances, but the mandate would be related to policy matters, and the State law would not give a PAC special jurisdiction over developer or contractor selection.

Commissioner Romero stated he always understood that the PAC and CAC recommendations were advisory to the Agency, and asked if the CAC had the same legal standing, or is there an obligation or mandatory duty on the part of the Agency, to have CAC review.

Executive Director Rosen stated she did not believe there was a legal duty for either a CAC or a PAC to render a recommendation on selection of a developer on an Agency-owned parcel, but if there was a desire from the Commission to take input from either a CAC or a PAC on that matter, staff would seek input. Ms. Rosen stated she thought the difficulty with the Parcel G matter was to ensure the integrity of the selection process with the input of the selection committee and certainly the Agency agreed that the selection committee should have input from the CAC. At the same time, the recommendation of the selection committee included as well a technical evaluation of the capacity, financing plan and other aspects that were not just a measure of community support, but also other technical aspects.

President Peterson stated the Agency should just try to meet people's expectations, and that he did not think anyone was trying to do anything wrong.

Rev. Arnold Townsend, Chair of the Western Addition CAC, stated it was good that CAC member Cheryl Davis was on the selection committee, however, the CAC had not met since the CAC workshop where the developers made presentations and there was no opportunity to provide input other than to ask questions of the developers. Rev. Townsend stated the matter seemed a bit rushed when the recommendation to select the developer was sent to the Commission before the CAC had a chance to provide input.

Executive Director Rosen stated she would suggest that she get together with Rev. Townsend and discuss the protocol of how to get the CAC review during the time of the continuance. (Rev. Townsend agreed.)

Commissioner Romero stated it sounded like a misunderstanding and miscommunication about the schedules. Mr. Romero stated that maybe, the CAC should meet more often, because the Commission did not like seeing people come to the Commission stating that they did not have input. Mr. Romero stated as long as there was no harm to the project, he would support the continuance. Mr. Romero stated that Agency staff worked very hard and had a very full plate, and the Commission put pressure on staff to have the Central Freeway parcels developed, and staff followed established Agency procedures.

Commissioner Covington stated she was happy to hear that Executive Director Rosen would be meeting with Rev. Townsend, but in putting together suggestions for a new process of obtaining input from the CAC, to keep in mind that such a process would not only be for the Western Addition CAC, but an overall Agency procedure that the Commission could adopt.

Commissioner King stated he agreed with Rev. Townsend that the Agency should have a policy for receiving input from the CAC, and the Commission should also have input. Mr. King stated that there should be community input for all Agency development projects.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 77-2006, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND COMMUNITY HOUSING PARTNERSHIP, A CALIFORNIA PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 120 UNITS OF VERY LOW-INCOME SUPPORTIVE HOUSING ON CENTRAL FREEWAY PARCEL G, SOUTHEAST CORNER OF GOUGH AND FULTON STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE CONTINUED TO THE JULY 18, 2006 COMMISSION MEETING.

4 (i) Workshop on the Agency's role in sustainable design of affordable housing

Presenters: Erin Carson, Bill O'Brien (Agency staff)

Commissioner Covington thanked staff for the overview on the greening and sustainable development of affordable housing. Ms. Covington asked staff to talk about universal design and how the Agency was incorporating universal design in its developments, and to describe the difference between green building design and universal design.

Mr. Bill O'Brien, Housing Construction Specialist, stated that universal design typically applied one design concept that would be suitable to essentially all persons, including persons with mobility impairments as well as able-bodied persons. Mr. O'Brien stated the Agency was employing as much of the universal design in its current development projects, and fortunately, the Mayor's Office on Disability is one of the more aggressive proponents and strong advocates of universal design. Mr. O'Brien stated that Mr. John Paul Scott, Deputy Director of the Mayor's Office on Disability, served on a number of committees including the Division of the State Architect's Committee on Universal Design. Mr. O'Brien stated the Agency was trying to incorporate as much as it could in its developments and thought that the Agency was doing a fairly good job, and as an example, all of the Agency's elevator-served or on-grade units would all be adaptable from this point forward. Mr. O'Brien stated that sustainable design, although different, had certain aspects that overlapped universal design. Many of the Agency's constituents had impaired immune systems, and universal design was becoming a much bigger issue than in the past, and universal design to a certain extent, attempts to "design-out" those objectionable elements of development, including volatile chemicals and other elements covered in sustainable design.

Commissioner Covington stated she would like the Commission to have more discussion about universal design in the near future, and develop strongly-worded encouragement to all of the Agency's developers to use universal design principles. Ms. Covington stated she was concerned about the City's older population being able to get into their homes easily and comfortably whether they were young or old, and that was why she thought it was important for the Agency to have a discussion about universal design and was a concept that the Agency should encourage and support. Ms. Covington stated that the workshop was mostly on sustainable design and although that was good and she never tire of hearing about the Plaza Apartments, the Agency needed to have a discussion on universal design, because the City prided itself on always being first, best and the brightest, but in universal design, San Francisco was actually behind other municipalities.

Executive Director Rosen stated she was aware that Commissioner Covington had requested workshops on both sustainable and universal design, but the Agency was farther ahead with its City partners in sustainable design guidelines, as the Agency continued to work closely with the Mayor's Office of Housing, the Mayor's Office on Disability, and Supervisor Alioto-Pier's Office, in a larger evaluation of the universal design question, and staff thought it was a little premature to present more information at this time. Ms. Rosen stated staff was acutely aware of Commissioner Covington's interest and staff was also working collaboratively with other City partners to develop a sensible approach for the City overall. Ms. Rosen stated staff would contemplate coming back to the Commission with a progress report and a more focused presentation on universal design at a later time, and get feedback from the Commission.

Commissioner Covington stated she appreciated Executive Director Rosen's comments, but that she (Ms. Covington) was not waiting for a policy that was already fully developed to be presented to the Commission. Ms. Covington stated the sooner Commissioners were exposed to new ideas and new ways of doing business, the more informed they would be, when staff developed policy in conjunction with other City agencies. Ms. Covington stated the Commissioners needed to begin learning the nomenclature of what was being discussed before an agreed-upon policy was developed.

Executive Director Rosen stated staff would bring before the Commission a workshop on the concepts under discussion long before they become policy form.

Commissioner Yee stated he thought the subject of sustainable and universal design was very interesting. Mr. Yee stated he was wondering in terms of construction costs, if staff had comparable costs as to which cost more.

Ms. Erin Carson, Development Specialist, stated the tricky part about affordable housing development today, was that the Agency was incorporating a lot of the strategies anyway, in order for developments to be, for example, competitive to obtain tax credit equity, but it was difficult to determine what would be a basic building versus a green building, because the Agency was already constructing green buildings and had been for some time. Ms. Carson stated the Agency was somewhat stepping up the different qualities that were being incorporated in the buildings, but not all of them had a price tag attached to them. For example, the VOC (Volatile Organic Compound) paints and adhesives, as Mr. O'Brien mentioned, were becoming mainstream. Ms. Carson stated the United States Green Building Council (USGBC) stated that the cost differential was between 1 and 3% total construction cost, which was fairly modest when the value of savings that could be realized overtime, was considered.

Mr. O'Brien added that the cost was determined by the area of the country, and San Francisco was fortunate to not have the extreme cold or hot weather, and the premium costs, in all likelihood, might be a little less than would be seen at a national average, simply because San Francisco had fewer extremes to deal with. Mr. O'Brien stated that the State of California's Title 24 was now the national standard for green communities, so the City was ahead of the curve in a lot of areas.

Commissioner Yee stated that he would like to see another workshop on universal design in the future.

Executive Director Rosen stated staff would schedule such a workshop in the future.

President Peterson thanked staff for the workshop and stated that it was very educational and informative.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Ace Washington

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen stated as the Commission was aware, the Board of Supervisors did adopt the ordinance approving the Bayview Hunters Point Redevelopment Plan at its meeting of May 23, 2006, and Mayor Newsom signed the legislation on June 1, 2006, fully adopting the redevelopment plan. Ms. Rosen stated the day before, she was informed that some opponents of the redevelopment plan filed a petition for circulation to gather signatures, attempting to put a referendum on the ballot, and the Commission would be kept informed as staff obtained more information about the petition.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner King inquired about the Working Group and asked when a meeting would be scheduled.

Executive Director Rosen stated as she and Commissioner King had discussed, the meeting of the Working Group would be scheduled after a new Contract Compliance Manager was hired and staff was still recruiting because when the position was offered, the person declined and staff was interviewing candidates and was hoping to get someone on board and schedule a meeting. Ms. Rosen stated she had hoped to have a new manager on board to immediately schedule a meeting, but was still in the process of hiring a new person, and would further discuss the matter with Commissioner King.

- Commissioner Yee stated the Commission earlier approved a contract for janitorial services, even though the contractor did not show up at the meeting. Mr. Yee stated he did not care if the contract was big or small, and if the contractor did not bother to attend the meeting, the Commission should not have approved it, much less make a motion, when the contractor was not even in attendance. Mr. Yee stated it was not a good practice for the Commission and it should not rubber-stamp such contracts.

10. CLOSED SESSION

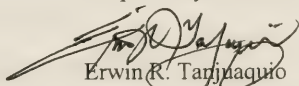
10 (a) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding existing litigation: Gateway Construction Services vs. Sheba Lounge, LLC., et al., Superior Court of the State of California, Case No. CGC06-452633.

10 (b) Pursuant to Government Code § 54956.9(c): Conference with Legal Counsel regarding initiation of litigation: one potential case.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:20 p.m.

Respectfully submitted,


Erwin R. Tarjuaquio
Agency Secretary

APPROVED:

June 20, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
20TH DAY OF JUNE 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of June 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but are related to general Agency business would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond, on issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT

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And the following were absent:

Ramon E. Romero

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of June 6, 2006

4 (b) Resolution No. 78-2006, Authorizing a Third Amendment to the Personal Services Contract with the Bayview Opera House, Inc., a California nonprofit corporation to extend the contract term for two months from July 1, 2006 to August 31, 2006 and to increase the contract amount by \$3,000 for a fiscal agent fee to provide fiscal agent services and \$17,000 for administrative support services for a total aggregate amount not to exceed \$524,595 for the Bayview Hunters Point Project Area Committee and transition support; Bayview Hunters Point Redevelopment Project Area

4 (c) Resolution No. 79-2006, Authorizing a Third Amendment to an Exclusive Negotiations Agreement with BRIDGE Housing Corporation, a California nonprofit public benefit corporation, to extend the term for 12 months, and to amend the schedule of performance, to negotiate a ground lease, for the development of approximately 112 units of very low-income senior rental housing, and to negotiate a disposition and development agreement for the development of 124 units of low-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

4 (d) Resolution No. 80-2006, Authorizing a First Amendment to a Personal Services Contract with the Private Industry Council of San Francisco, Inc., a California nonprofit public benefit corporation, to extend the contract period from June 30, 2006 to September 30, 2006 and to increase the maximum payable amount by \$273,636, for a total aggregate contract amount not to exceed \$3,369,680, subject to appropriation of funds, to administer employment and training services contracts with Ella Hill Hutch Community Center, Mission Hiring Hall, Inc., South of Market Employment Center and Young Community Developers, Inc.; Western Addition A-2, Yerba Buena Center, South of Market, Mission Bay North and South, Rincon Point-South Beach, India Basin Industrial Park and Bayview Hunters Point Redevelopment Project Areas

- 4 (e)** Resolution No. 81-2006, Authorizing a Fourth Amendment to the Business Development Letter Agreement with the Mayor's Office of Community Development, to extend the contract from June 30, 2006 to September 30, 2006 and to increase the maximum payable amount by \$218,535, for an aggregate contract amount not to exceed \$2,917,355, subject to appropriation of funds for administrative costs and business development contracts with South of Market Foundation dba: Urban Solutions (Western Addition A-2, and South of Market Redevelopment Project Areas) and Renaissance Entrepreneurship Center (all redevelopment project areas)

Consent Agenda items 4 (c), (d) and (e) were withdrawn from the Consent Agenda. The Commission voted on Consent Agenda items 4 (a) and (b).

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT), THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JUNE 6, 2006, AND 4 (b) RESOLUTION NO. 78-2006, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE BAYVIEW OPERA HOUSE, INC., A CALIFORNIA NONPROFIT CORPORATION TO EXTEND THE CONTRACT TERM FOR TWO MONTHS FROM JULY 1, 2006 TO AUGUST 31, 2006 AND TO INCREASE THE CONTRACT AMOUNT BY \$3,000 FOR A FISCAL AGENT FEE TO PROVIDE FISCAL AGENT SERVICES AND \$17,000 FOR ADMINISTRATIVE SUPPORT SERVICES FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$524,595 FOR THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE AND TRANSITION SUPPORT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

The Commission considered items 4 (c), (d) and (e) as separate items.

- 4 (c)** Resolution No. 79-2006, Authorizing a Third Amendment to an Exclusive Negotiations Agreement with BRIDGE Housing Corporation, a California nonprofit public benefit corporation, to extend the term for 12 months, and to amend the schedule of performance, to negotiate a ground lease, for the development of approximately 112 units of very low-income senior rental housing, and to negotiate a disposition and development agreement for the development of 124 units of low-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

Presenters: Pam Sims (Agency staff)

Speakers: Dorris Vincent

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 79-2006, AUTHORIZING A THIRD AMENDMENT TO AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FOR 12 MONTHS, AND TO AMEND THE SCHEDULE OF PERFORMANCE, TO NEGOTIATE A GROUND LEASE, FOR THE DEVELOPMENT OF APPROXIMATELY 112 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING, AND TO NEGOTIATE A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE DEVELOPMENT OF 124 UNITS OF LOW-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (d)** Resolution No. 80-2006, Authorizing a First Amendment to a Personal Services Contract with the Private Industry Council of San Francisco, Inc., a California nonprofit public benefit corporation, to extend the contract period from June 30, 2006 to September 30, 2006 and to increase the maximum payable amount by \$273,636, for a total aggregate contract amount not to exceed \$3,369,680, subject to appropriation of funds, to administer employment and training services contracts with Ella Hill Hutch Community Center, Mission Hiring Hall, Inc., South of Market Employment Center and Young Community Developers, Inc.; Western Addition A-2, Yerba Buena Center, South of Market, Mission Bay North and South, Rincon Point-South Beach, India Basin Industrial Park and Bayview Hunters Point Redevelopment Project Areas

Presenters: Isabella Wong (Agency staff)

Speakers: Ace Washington, Randall Evans, Elouise Patton

Commissioner King asked if there were representatives or the director from the Private Industry Council (PIC) in attendance.

Mr. Alfredo Fajardo, Grant Specialist from the PIC, stated that Mr. Wes Dixon, President of the PIC was not feeling well and could not attend the meeting.

Commissioner King stated he supported the extension to the contract with the PIC, but that he would like to see the President at the next Commission meeting.

Executive Director Rosen stated that she would speak with Mr. Dixon, and that she wanted to point out that in the ongoing discussions with the PIC, it

had been cooperative in managing the contracts for the Agency. Ms. Rosen stated that she had been meeting with Young Community Developers, Ella Hill Hutch and the South of Market Employment Center to make sure that their work programs were fine-tuned to the activities planned for the current year, and they all had been very cooperative and responsive. Ms. Rosen stated she believed that the nonprofits were doing a good job and the PIC simply administered the contracts for efficiency in working with other agencies performing job training services. Ms. Rosen stated she had been in discussions with the PIC and the Mayor's Office of Economic and Workforce Development to refine the scope of services for the contracts to ensure that they would be responsive to the Agency's agenda in the coming year. Ms. Rosen stated she would be happy to bring Mr. Dixon to the next Commission meeting.

Commissioner King stated he did not even know who the President of the PIC was and thought that the Commission should at least know who he was.

Commissioner Singh requested that representatives from Young Community Developers, Ella Hill Hutch and South of Market Employment Center be introduced. The respective representatives introduced themselves to the Commission.

Commissioner King put forth a motion to adopt item 4 (d). Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 80-2006, AUTHORIZING A FIRST AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH THE PRIVATE INDUSTRY COUNCIL OF SAN FRANCISCO, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE CONTRACT PERIOD FROM JUNE 30, 2006 TO SEPTEMBER 30, 2006 AND TO INCREASE THE MAXIMUM PAYABLE AMOUNT BY \$273,636, FOR A TOTAL AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$3,369,680, SUBJECT TO APPROPRIATION OF FUNDS, TO ADMINISTER EMPLOYMENT AND TRAINING SERVICES CONTRACTS WITH ELLA HILL HUTCH COMMUNITY CENTER, MISSION HIRING HALL, INC., SOUTH OF MARKET EMPLOYMENT CENTER AND YOUNG COMMUNITY DEVELOPERS, INC.; WESTERN ADDITION A-2, YERBA BUENA CENTER, SOUTH OF MARKET, MISSION BAY NORTH AND SOUTH, RINCON POINT-SOUTH BEACH, INDIA BASIN INDUSTRIAL PARK AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

- 4 (e) Resolution No. 81-2006, Authorizing a Fourth Amendment to the Business Development Letter Agreement with the Mayor's Office of Community Development, to extend the contract from June 30, 2006 to September 30, 2006 and to increase the maximum payable amount by \$218,535, for an aggregate contract amount not to exceed \$2,917,355, subject to appropriation of funds for administrative costs and business development contracts with South of Market Foundation dba: Urban Solutions (Western Addition A-2, and South of Market Redevelopment Project Areas) and Renaissance Entrepreneurship Center (all redevelopment project areas)

Executive Director Rosen stated that Ms. Isabella Wong was also the presenter for item 4 (e), and that this was a similar situation with the previous matter with the PIC, and in this case, the Agency has had a working relationship with the Mayor's Office of Community Development (MOCD) for administering contracts related to small business assistance. Ms. Rosen stated the Agency had two providers and the MOCD, which also funded similar work for their loan programs and business assistance, had been administering the contracts. As the Agency was developing the work programs with the Citizens' Advisory Committees (CAC) and Project Area Committees (PAC), they wanted some additional time to review the proposals from the two providers, and asked for the three-month extension while they continued to work with the PACs and CACs as to their activities. Ms. Rosen stated that Ms. Wong wrote the Commission memorandum and was prepared to present additional information, if the Commission so desired, and there were representatives from the MOCD and the two service providers in attendance. Ms. Rosen asked Ms. Wong to introduce the representatives from MOCD, Urban Solutions and Renaissance Entrepreneurship Center. Ms. Wong introduced the respective representatives.

Speakers: Henry Karnilowicz, Jenny McNulty, Deborah Theodule, Emmit Powell, Sharon Miller, Simonida Cvejic, Terry Chong, Ace Washington, Randall Evans, Angelo King, Al Norman, Rev. Arnold Townsend

At this time, approximately 4:50 p.m., Commissioner Covington departed the meeting.

Commissioner Singh asked what the total budget was for Urban Solutions, including other funding sources.

Ms. Jenny McNulty from Urban Solutions stated the total budget for Urban Solutions for the upcoming year was \$785,000, with \$60,000 for the Western Addition A-2 Project Area, and \$478,000 for the South of Market Project Area. Ms. McNulty stated the other sources of funds came from the Mayor's Office of Community Development with a grant of \$100,000, Wells Fargo Bank provided \$60,000 the previous year, \$10,000 from

Washington Mutual Bank, \$5,000 from Co-America Bank, \$10,00 from Union Bank, \$10,000 from CitiBank, and other small donors including Pacific Gas and Electric with \$2,500 and \$5,000 grants.

Commissioner Singh stated he heard a lot of good things about the work that Urban Solutions had been doing and encouraged them to keep up the good work. Mr. Singh put forth a motion to adopt item 4 (e).

Commissioner Breed stated she wanted to share that she had referred numerous residents from the Western Addition to Urban Solutions and they had been assisted with kindness and support. Ms. Breed stated that Urban Solutions was doing a great job from the feedback she had heard from Western Addition residents who had used their services. Ms. Breed stated she applauded Urban Solutions for all their work and seconded Commissioner Singh's motion to adopt item 4 (e). Ms. Breed stated because she was not familiar with the work of the Renaissance Entrepreneurship Center, and the extension was only until September 30, 2006, she would suggest that they work with the PAC to make sure that the needs of the PAC were being met before the matter came back to the Commission.

President Peterson stated he echoed everything that Commissioner Breed stated, and that any group looking for additional Agency funding would be well-advised to meet and work with Mr. Angelo King and other stakeholders in the Bayview Hunters Point community, and figure out why the relationship had not been as positive, evidently as in the Western Addition and the South of Market.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. ROMERO ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 81-2006, AUTHORIZING A FOURTH AMENDMENT TO THE BUSINESS DEVELOPMENT LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT, TO EXTEND THE CONTRACT FROM JUNE 30, 2006 TO SEPTEMBER 30, 2006 AND TO INCREASE THE MAXIMUM PAYABLE AMOUNT BY \$218,535, FOR AN AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$2,917,355, SUBJECT TO APPROPRIATION OF FUNDS FOR ADMINISTRATIVE COSTS AND BUSINESS DEVELOPMENT CONTRACTS WITH SOUTH OF MARKET FOUNDATION DBA: URBAN SOLUTIONS (WESTERN ADDITION A-2, AND SOUTH OF MARKET REDEVELOPMENT PROJECT AREAS) AND RENAISSANCE ENTREPRENEURSHIP CENTER (ALL REDEVELOPMENT PROJECT AREAS), BE ADOPTED.

REGULAR AGENDA

- 4 (f)** Resolution No. 82-2006, Authorizing a Personal Services Contract with Poor People's Radio, Inc., a California nonprofit public benefit corporation for a term of three years, in an amount not to exceed \$114,712.50 per year for a total aggregate amount not to exceed \$344,137.50 to provide redevelopment related community education and outreach through live radio broadcasts of Agency Commission meetings and other Agency related programs; all redevelopment project and survey areas

Presenters: Erwin Tanjuaquio (Agency staff)

Speakers: Rev. Arnold Townsend, Oscar James

Commissioner Breed put forth a motion to adopt item 4 (f).

Commissioner King congratulated Mr. JJ Parsons and KPOO for doing a great job, and urged them to keep up the good work. Mr. King seconded Commissioner Breed's motion to adopt item 4 (f).

Commissioner Yee stated that Mr. Tanjuaquio did an outstanding job of presenting before the Commission. Mr. Yee asked who was responsible for the day-to-day operations at KPOO.

Mr. Erwin Tanjuaquio, Commission Secretary, stated that Mr. Jerome Parsons, who was the sole employee at KPOO, was responsible for the day-to-day operations at KPOO. Mr. Tanjuaquio added that the radio station was staffed by mostly volunteers.

Commissioner Yee stated he recalled that many years ago, Rev. Arnold Townsend spoke with him about obtaining additional funding for the radio station. Mr. Yee stated he thought it was time for KPOO to expand its services for the benefit of the City and County of San Francisco, and thanked Mr. Parsons and KPOO for doing an outstanding job.

Commissioner Singh stated he wanted to echo Commissioner Yee's statements and complimented KPOO for doing a great job.

Executive Director Rosen added that Mr. Parsons was also a great disc jockey and everyone could listen to him during the evening broadcasts.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. ROMERO ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 82-2006, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH POOR PEOPLE'S RADIO, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION FOR A TERM OF THREE YEARS, IN AN AMOUNT NOT TO EXCEED \$114,712.50 PER YEAR FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$344,137.50 TO PROVIDE REDEVELOPMENT RELATED COMMUNITY EDUCATION AND OUTREACH THROUGH LIVE RADIO BROADCASTS OF AGENCY COMMISSION MEETINGS AND OTHER AGENCY RELATED PROGRAMS; ALL REDEVELOPMENT PROJECT AND SURVEY AREAS, BE ADOPTED.

- 4 (g) Resolution No. 83-2006, Approving the Bayview Hunters Point Redevelopment Project Delegation Agreement between the City and County of San Francisco and the Agency; Bayview Hunters Point Redevelopment Project Area

Presenters: Tom Evans (Agency staff)

Speakers: Angelo King, Al Norman

Commissioner Breed put forth a motion to adopt item 4 (g). Commissioner Singh seconded the motion.

Commissioner Yee inquired about the petition that was being circulated regarding the Bayview Hunters Point Redevelopment Plan.

President Peterson asked what the status of the petition was and what procedures would be appropriate to address its legitimacy and legality as the project moved forward.

General Counsel James Morales stated that under the Community Redevelopment Law, voters of the jurisdiction would have the right to file, sign and circulate a petition to place a redevelopment plan on the ballot. Mr. Morales stated the Agency understood that the petition to circulate was presented to the Clerk of the Board of Supervisors, although staff had not seen it. Mr. Morales stated the Agency understood there was some activity to collect signatures and that there was a 90-day period for the voters to sign the petition, and staff was looking into the matter, but that it was primarily between the City Attorney and the Board of Supervisors to review the petition to make sure that it met the legal standards. Mr. Morales stated he would assure the Commission that staff was closely monitoring the matter by communicating with the City Attorney's Office and other City officials.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. ROMERO ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 83-2006, APPROVING THE BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT DELEGATION AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND THE AGENCY; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED

- 4 (h)** Resolution No. 84-2006, Conditionally approving the major phase for Blocks 29 – 32 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Presenters: Kelley Kahn (Agency staff), Terezia Nemeth (Alexandria Real Estate Equities), Bill Katz (SMWM)

Commissioner Breed put forth a motion to adopt item 4 (h) and stated the proposed project had an absolutely amazing design. Ms. Breed stated she often drove by Mission Bay and was continually amazed at the rapid progress of all the development and she looked forward to seeing the development of Blocks 29 – 32 in the City's newest neighborhood.

Commissioner Singh asked when the estimated start of construction was scheduled, and if there was an estimated completion date. Mr. Singh asked if there was an approximate estimated total development cost for the proposed development.

Ms. Kelley Kahn, Assistant Project Manager, stated that Alexandria Real Estate Equities would proceed with the schematic design phase of the individual buildings during the next couple of years, and staff expected coming back to the Commission in the next one to three years with schematic designs for the individual blocks, and that full build-out of the four blocks would occur between the next five to ten years. Ms. Kahn stated she thought it was too early to have an estimated completion date for the four blocks.

Ms. Terezia Nemeth of Alexandria Real Estate Equities stated it was difficult to estimate the total development cost of the major phase at this early stage of the development, but would provide a guess of approximately \$150 million.

Commissioner Singh stated he wanted to make sure that the developer complied with the Agency's contract compliance policies to ensure that minority contractors had the appropriate share.

Ms. Nemeth stated that they were very committed to the Agency's contract compliance policies.

Commissioner Singh seconded Commissioner Breed's motion to adopt item 4 (h).

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. ROMERO ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 84-2006, CONDITIONALLY APPROVING THE MAJOR PHASE FOR BLOCKS 29 – 32 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i) Resolution No. 85-2006, Authorizing a Personal Services Contract with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$285,000, for homeowner assistance and housing development activities, as part of the Agency's Citywide Tax Increment Housing Program

Presenters: Chris Harris (Agency staff)

Speakers: Oscar James, Angelo King, Regina Davis, Dorris Vincent

Commissioner King put forth a motion to adopt item 4 (i) and stated that the homeowner assistance program was in fact started by the Agency many years ago, and Ms. Regina Davis and the San Francisco Housing Development Corporation (SFHDC) continue to do a great job for the community and the Agency. Mr. King stated the Agency should continue its support of SFHDC's wonderful work.

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (i).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. ROMERO ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 85-2006, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$285,000, FOR HOMEOWNER ASSISTANCE AND HOUSING DEVELOPMENT ACTIVITIES, AS PART OF THE AGENCY'S CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (j) Resolution no. 86-2006, Authorizing an Agency guarantee agreement with Webcor Construction, Inc. dba Webcor Builders, a California corporation, in an amount not to exceed \$300,000 in lieu of a payment and performance bond by Western Addition Drywall, an Agency certified small business enterprise, for construction work on the Fillmore Heritage Center, 1300 Fillmore Street; Western Addition Redevelopment Project Area A-2

Presenters: Andrico Penick (Agency staff)

Speakers: Rev. Arnold Townsend, Wade Woods, Terry Collins, Oscar James

Commissioner Singh requested verification that Deputy General Counsel Andrico Penick stated there was no guarantee that the contractor would do a good job.

Mr. Andrico Penick, Deputy General Counsel, stated he did not state that there was no guarantee that the contractor would do a good job, but that there would be no way to write into the document safeguards that would guarantee the contractor would do a good job. Mr. Penick stated the Agency had every confidence that the contractor would do a good job, and his track record had demonstrated that.

Commissioner Singh thanked Mr. Penick and put forth a motion to adopt item 4 (j).

Commissioner King seconded Commissioner Singh's motion to adopt item 4 (j) and stated that he had known the contractor, who is from the community, for over 20 years and deserved the support of the Agency.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. ROMERO ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 86-2006, AUTHORIZING AN AGENCY GUARANTEE AGREEMENT WITH WEBCOR CONSTRUCTION, INC. DBA WEBCOR BUILDERS, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$300,000 IN LIEU OF A PAYMENT AND PERFORMANCE BOND BY WESTERN ADDITION DRYWALL, AN AGENCY CERTIFIED SMALL BUSINESS ENTERPRISE, FOR CONSTRUCTION WORK ON THE FILLMORE HERITAGE CENTER, 1300 FILLMORE STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (k) Resolution No. 87-2006, Conditionally approving the schematic design for the Mary Helen Rogers Senior Community, a 100-unit low- and very low-income senior rental development located on Central Freeway Parcel C, southwest corner of Golden Gate Avenue and Franklin Street, Lot 13 in Assessor's Block 768, and adopting findings under the California Environmental Quality Act; Western Addition Redevelopment Project Area A-2

Presenters: Tiffany Bohee, Elena Branick (Agency staff), Tom Brutting (HKIT Architects)

Speakers: Rev. Arnold Townsend

Commissioner King put forth a motion to adopt item 4 (k).

Commissioner Breed stated the design was beautiful befitting of Mrs. Mary Helen Rogers, and thought that she (Mrs. Rogers) would have been very happy with the project. Ms. Breed stated it was obvious that a lot of artistic nature went into the building's design, and that she would be interested in the development of the memorial or tribute for Mrs. Rogers, before a final design came to the Commission. Ms. Breed seconded Commissioner King's motion to adopt item 4 (k).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. ROMERO ABSENT) THAT ITEM 4(k) RESOLUTION NO. 87-2006, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE MARY HELEN ROGERS SENIOR COMMUNITY, A 100-UNIT LOW- AND VERY LOW-INCOME SENIOR RENTAL DEVELOPMENT LOCATED ON CENTRAL FREEWAY PARCEL C, SOUTHWEST CORNER OF GOLDEN GATE AVENUE AND FRANKLIN STREET, LOT 13 IN ASSESSOR'S BLOCK 768, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (l) Resolution No. 88-2006, Authorizing a Fifth Amendment to the Disposition and Development Agreement with San Francisco Care Center, L.P., a California limited partnership, to modify certain provisions related to the affordable units and the performance deposit and to revise the declaration of affordability restrictions for the project located at 1015-1019 Van Ness Avenue (Assessor's Block 714, Lot 28); Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff)

Speakers: Rev. Arnold Townsend

Commissioner King put forth a motion to adopt item 4 (l) and stated that The Avenue was a beautiful place and Mr. Mel Lee had done a good job.

Commissioner Breed stated she had a personal experience with the facility and wanted to know why applicants were not being informed of the affordable opportunities in the development, and specifically, why the Commission was not informed.

Mr. Ricky Tijani, Senior Development Specialist, stated that when the development was completed in November 2004, the developer informed the Agency that it wanted to increase the fees for the affordable units, and the Disposition and Development Agreement (DDA) would not allow that without the authorization of the Commission. Mr. Tijani stated staff had been in negotiations with the developer since then, and it could not advertise the affordable units until the fees had been agreed to and approved by the Commission.

Commissioner Breed requested verification that affordable units did not presently exist in the development.

Mr. Tijani stated that affordable units did exist in the development, but at a much lower rent, and the developer was asking for higher rents.

Commissioner Breed stated she understood what the developer was asking for, and asked why low-income applicants were not informed that they fit in the affordable category.

Mr. Tijani stated that low-income applicants had to be informed that they fit in the affordable category.

Commissioner Breed stated that she personally, was not informed.

Mr. Tijani stated that staff would be taking corrective action and that was why the matter was before the Commission. Mr. Tijani stated the marketing program was much more extensive and gives priority to certificate holders, and \$50,000 had been set aside for the marketing and outreach.

Commissioner Breed stated she read the Commission memorandum, but her issue was that when she signed-up her grandmother at the Avenue, she was not informed that her grandmother qualified for any low-income unit. Ms. Breed requested verification that none of the affordable units had been filled, and that the affordable units had not been offered or advertised.

Mr. Tijani affirmed that none of the affordable units had been filled, because the developer was not permitted to advertise the affordable units until the fees had been negotiated with the Commission's approval.

Commissioner Breed stated she wanted to know from Mr. Mel Lee why the low-income units currently available were not being offered to low-income applicants when they applied.

Mr. Mel Lee of The Avenue, stated the reason they could not advertise the availability of the affordable units was because the Commission had not approved their proposal to modify the fees for the affordable units.

Executive Director Rosen stated she believed the reason why the affordable units were not advertised was because the developer was not willing to market the affordable units at the price that the DDA required. Ms. Rosen stated the developer wanted more money for the units and therefore, could not market them. This was not because Agency staff did not allow the marketing, but because the developer had refused to market the units at the price that it was legally bound under the DDA, unless and until the Commission approved the changes to the pricing structure. Ms. Rosen stated there had been a period of time since the completion of the development when the developer had the obligation to provide a certain number of affordable units, but was not willing to market them at the price it was legally bound, because the developer believed it need more revenue, so the affordable units were kept off the market, and staff was trying to remedy that situation with the matter before the Commission.

Commissioner Breed stated she understood the situation, that the modification of the affordability price structure would assist the developer financially, but she needed guarantees that the affordability levels would not change again, and wanted to know how soon the affordable units would be marketed and filled.

Mr. Lee stated as soon as Agency staff approved his proposed advertising, it would go out immediately, and that he believed that the affordable units would be filled immediately, because the price for the affordable units would be half the price of the market-rate units.

Commissioner Breed stated she had been to The Avenue and thought it was a beautiful facility. Ms. Breed stated she was very sensitive about the difficulty of seniors just to take care of themselves, let alone go through an application process to avail of affordable senior housing, but that as a Commissioner, she was disappointed that she was not informed about the availability of the affordable units. Ms. Breed stated it was her desire to see The Avenue succeed because it was a wonderful facility. that she would second Commissioner King's motion, in hopes that the Agency would pay careful attention and support Mr. Lee in making sure that the affordable units would be advertised appropriately and filled.

Commissioner Yee asked when staff first discovered that the developer did not comply with the requirements of the DDA to market the affordable units at the price required, and if staff monitored the developer's compliance with the DDA.

Mr. Tijani stated the DDA had a number of requirements including periodic reports from the developer, which staff monitored, and soon after the development was completed, the developer informed staff that it was going to advertise the affordable units, but at a higher rate than the DDA required, and staff informed the developer that could not be done without the Commission's approval. Mr. Tijani stated staff requested additional information from the developer so that it could do its due diligence to make sure that staff was making the proper recommendation to the Commission.

Commissioner Yee asked if staff knew what the present occupancy rate at The Avenue was. Mr. Yee asked how many of the 25 affordable units were still available.

Mr. Tijani stated he believed that The Avenue was 40% occupied, as of about a month ago. Mr. Tijani stated that all of the 25 affordable units were still available.

Commissioner Yee asked if staff thought the \$50,000 marketing budget was sufficient to do the necessary outreach and fill the affordable units in a short period of time.

Mr. Tijani stated that according to the developer, it had a waiting list for the affordable units from people with the income category that had already expressed interest.

Commissioner Yee stated if there was already a waiting list, then it was not necessary to market the affordable units and it was not necessary to spend the money.

Executive Director Rosen stated the Agency had to make sure that certificate holders would have an opportunity for first priority, and to make sure that the marketing would comply with fair housing and that it would be equally available.

Commissioner Yee stated he hoped that staff would continue to closely monitor the marketing of the affordable units in The Avenue for the benefit of everyone, because problems would arise without communications.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. ROMERO ABSENT) THAT ITEM 4 (I) RESOLUTION NO. 88-2006, AUTHORIZING A FIFTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH SAN FRANCISCO CARE CENTER, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO MODIFY CERTAIN PROVISIONS RELATED TO THE AFFORDABLE UNITS AND THE PERFORMANCE DEPOSIT AND TO REVISE THE DECLARATION OF AFFORDABILITY RESTRICTIONS FOR THE PROJECT LOCATED AT 1015-1019 VAN NESS AVENUE (ASSESSOR'S BLOCK 714, LOT 28); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

At this time, approximately 7:32 p.m., Commissioner Covington rejoined the meeting.

- 4 (m)** Considering an amendment to the proposed Agency budget for the fiscal year July 1, 2006 – June 30, 2007 for the purpose of providing additional funding for construction of the Bindlestiff Studio in the South of Market Project Area and authorizing the Executive Director to submit an amended budget to the Mayor and the Board of Supervisors of the City and County of San Francisco

Presenters: Mike Grisso (Agency staff)

Speakers: Bruce Harrison, Alex Torres, Agelio Batle, Dino Ignacio, Jazzie Collins, Chris Durazo, Hayato Yoshida, Jason Ortega, Jose Saenz, Siwaraya Rochanahusdin, Gayle Romasanta, June Parina, Warner Geoff, Bryan Pangilinan, Oscar James, Ada Chan

Commissioner Yee stated he recalled saying when the Plaza Apartments was being developed, that the Commission should support Bindlestiff Studio, and that he was the one who encouraged staff to allocate funds for the tenant improvements for the theater space. Mr. Yee stated he visited and saw the old and dilapidated theater space, and he was happy to see Supervisor Chris Daly give his support for Bindlestiff Studio to get a permanent theater space. Mr. Yee stated that without the support of Commissioners King, Singh and himself, the Plaza Apartments would not have been developed and constructed by the Agency, as the first project to be developed directly by the Agency. Mr. Yee put forth a motion to adopt item 4 (m) and stated he hoped for a successful event for Bindlestiff Studio and asked that Commissioners be invited.

Commissioner Breed stated she read and understood the Commission memorandum, and was concerned with the new amount requested during the public testimony, and asked if staff and Bindlestiff Studio had not been communicating about the amounts.

Executive Director Rosen stated that staff met with Bindlestiff Studio last Friday, and that she was informed that Bindlestiff Studio was relying on old estimates and had expressed the desire to eliminate certain items from the construction budget, which staff did not agree with, because the theater would have to meet occupancy standards and be developed consistent with the quality of the building. Ms. Rosen stated she was a bit confused because staff had estimated the budget to be \$500,000, and believed that Bindlestiff had estimated a lower amount. Ms. Rosen stated the Agency had committed \$100,000 to capital, the Mayor's Office had put \$100,000 in its budget to assist them in capital, and the Mayor's Office of Community Development (MOCD) had committed \$60,000, and Bindlestiff Studio stated that they had raised \$40,000. Ms. Rosen stated the reason why staff suggested \$200,000 was because staff believed that \$500,000 was a more reasonable cost of the project than the \$300,000, and staff believed that Bindlestiff had in hand, in combination with the Agency's funds, the Mayor's Office of Economic and Workforce Development (MOEWD) funds, the MOCD funds, and funds that they had raised, a total of \$300,000, and therefore, \$200,000 would be the gap necessary to construct the project. Ms. Rosen stated she wanted to clarify that the Commission could not act on a grant at this time, and all it could act on would be a possible amendment to the Agency's budget, which then would be submitted to the Board of Supervisors.

Commissioner Breed asked who the director was for Bindlestiff Studio, and asked if someone from Bindlestiff Studio could speak to the discrepancy of the amounts, because she was not clear.

Mr. Alex Torres, a member of the Bindlestiff Studio Board of Directors, stated they had a \$15,000 grant from the Fleishacker Foundation, \$60,000 from the MOCD, \$17,000 that they had raised internally, and \$56,000 remaining from the original \$100,000 grant from the Agency that was used for predevelopment costs. Mr. Torres stated they were initially going to ask for \$417,000, but had deducted the \$100,000 commitment from the MOEWD, and was now asking for \$317,000.

Commissioner Breed inquired about the \$40,000 the Agency staff stated that Bindlestiff had committed to and had available.

Mr. Torres stated he did not know exactly where the figure came from, but that they had given the Agency staff all of the numbers they were working with. Mr. Torres stated he had given Agency staff cost estimates, which were about two years old, and even if 20% was added, the total cost of build-out was about \$670,000. Mr. Torres stated in addition, they would still have to raise funds for staffing and programming.

Commissioner Breed asked how Bindlestiff Studio was accommodating their staffing and programming needs at the present.

Mr. Torres stated they along with the South of Market Community Action Network were applying for a \$300,000 grant for the "Shifting Sands" initiative. Mr. Torres stated they had some money coming from shows and there was enough money to pay for rent, electricity, water and insurance.

Commissioner Breed asked who was handling Bindlestiff Studio's finances.

Mr. Torres stated as far as he knew, the money from the Agency was managed by the Tenants and Owners Development Corporation (TODCO) who was the fiscal agent for Bindlestiff Studio, and that the requested amount of \$317,000 came from figures provided by TODCO.

Executive Director Rosen asked for clarification on the \$317,000 amount requested, and stated that the amount did not compute with previous discussions with Bindlestiff Studio. Ms. Rosen stated staff's computation of the total money that Bindlestiff Studio had comprised of a \$100,000 capital grant from the Agency, \$60,000 from the MOCD, \$100,000 commitment from the MOEWD, and \$40,000 to be raised by Bindlestiff, giving a total of \$300,000. Ms. Rosen stated staff roughly estimated the total cost at \$500,000 and that Bindlestiff had \$300,000 in hand, and that was why staff had suggested putting \$200,000 in the Agency's budget. The \$317,000 amount was never provided to the Agency as being documented in any way. Ms. Rosen asked if Bindlestiff Studio was requesting \$317,000 in addition to the \$300,000.

Mr. Torres stated that Bindlestiff Studio was requesting an additional \$317,000 to complete the project. Mr. Torres stated as far as he could tell from their data, they had raised approximately \$210,000 and that figure included all of the money they had for the project.

Executive Director Rosen stated it sounded like Mr. Torres was not counting the Agency's capital grant because there was \$160,000 from the MOCD and MOEWD, plus the Agency's grant of \$100,000 and the \$40,000 raised by Bindlestiff totaled \$300,000.

Mr. Torres stated that they were requesting \$317,000 more to complete the project, including all of the lights and equipment necessary to run the theater.

Executive Director Rosen stated that the money requested was beyond the tenant improvement costs.

Mr. Torres stated they were requesting funds for the total build-out and operation of the theater. Mr. Torres stated he wanted to inform the Commission that when they met with Mr. Grisso the previous Friday, they were not informed that staff was going to request \$200,000, and the \$317,000 amount was the figure they developed based on the initial cost estimates. Mr. Torres stated they had worked very hard to work with Agency staff, and they were prepared to work out the details of the budget, but that their interest at the present time was to actually begin the work now, because their work was suffering due to the lag they were having.

Commissioner Breed stated her concern was the lack of communications between Bindlestiff and Agency staff. Ms. Breed stated in the past when the matter was before the Commission, as a Director of an arts organization herself, she had favorably supported Bindlestiff, but also expressed uncertainty with their ability to raise funds and complete the project, and Bindlestiff assured the Commission that they could. Ms. Breed stated she was bothered by the miscommunication being presented to staff, because if they had met as recent as the previous Friday, and then Bindlestiff was requesting a different amount than staff, she wanted to know why there seemed to be no communication between Bindlestiff and staff prior to the Commission meeting.

Mr. Torres stated as far as he could tell, they had been as honest and upfront with Agency staff about the figures they had, and that he had informed Mr. Grisso of all their activities including the \$100,000 grant from the MOCD, and their \$300,000 grant application, and all of their cost estimates.

Commissioner Breed asked what Bindlestiff Studio's total estimated cost was for full build-out of the theater, compared with the staff's estimate of \$500,000.

Mr. Torres stated that their estimate for full build-out was \$670,000. Mr. Torres stated he believed that staff's estimate of \$500,000 came from the original cost estimates to build the tenant improvements up to code, which two years ago, was \$421,000, and staff had added 20% to that figure to come up with a total estimate of \$500,000. Mr. Torres stated what they were asking for now, and this may be where the miscommunication was, because they had not really discussed with staff, that included in their current cost estimate was \$249,000 in theatrical lighting and sound system.

Commissioner Breed stated that Mr. Torres must know that the theatrical lighting and sound system would not fall into the category of build-out.

Mr. Torres stated he understood that, and they were asking the Commission for the funds, but if the Commission did not agree, he had no doubt that they could raise enough money to bring their own lights and sound system.

Commissioner Breed stated her issue was that Bindlestiff Studio had to make it easier for her as a Commissioner and as a supporter of the arts, to support Bindlestiff Studio's project, and because the information before the Commission was conflicting, she wanted to have a clear understanding and Bindlestiff Studio to understand that the Commission was being asked to support a budget amendment for build-out of the theater space, which would not include the light fixtures and equipment and everything that was moveable. Ms. Breed stated she wanted to make sure that Bindlestiff was clear about what they were asking for, that they were requesting funding support not only for the theater build-out, but also for equipment.

Mr. Torres stated that was correct.

Executive Director Rosen stated that was never acknowledged in the meeting with Bindlestiff, and in fact, for the last two years staff had been working with Bindlestiff, that they had consistently stated they could move in to the new theater space with their existing equipment, and that they could continue to raise funds to upgrade to state-of-the-art equipment, and was never part of the tenant improvement budget. Ms. Rosen stated staff and Bindlestiff had been discussing the construction budget, and Supervisor Daly's letter spoke about the construction budget, as well as the commitments from the two offices of the Mayor. Staff in good faith, tried to estimate those construction costs, more generously than Bindlestiff did, because staff believed that Bindlestiff could not do as much value engineering as they really wanted, and staff knew that the cost of construction had escalated. Ms. Rosen stated it was surprising to hear that Bindlestiff was requesting additional funding that was not part of tenant improvements.

Commissioner Breed asked what Bindlestiff Studio had done with regard to capacity-building.

Mr. Bryan Pangilinan, Managing Director, stated they were receiving technical assistance through the South of Market Community Action Network in their capital campaign and fund-raising efforts.

Ms. Angelica Cabande, a member of the Bindlestiff Studio Board of Directors, stated that they just received a grant of \$10,000 for their artistic director, and that they had been doing collaboration work with regard to grant-writing at the national level to get the word out that Bindlestiff Studio need help not only with capital, but also programming. Ms. Cabande stated when they met with Mr. Grisso, they did not specifically discuss capital improvements.

Commissioner Breed stated Bindlestiff Studio continued to say to the Commission that they would raise the funds, and she understood what it was like to be an arts organization, and they should not say they could raise funds if they could not do it. Ms. Breed stated it was very difficult to raise funds and she knew that from personal experience, and Bindlestiff had to be realistic about what it could or could not do, and it was alright to say to the Agency that they were having a difficult time raising funds and was requesting additional funding support. Ms. Breed stated she frequented the area around the Plaza Apartments, and it was disappointing to see that nothing was happening at the space for the new theater, because it was such a beautiful space. Ms. Breed stated she had serious concerns and she would suggest an amendment to Commissioner Yee's motion to set an amount not to exceed \$317,000, but first wanted to find out from Executive Director Rosen that the agreement would come back to the Commission, because there was so much confusion with the amount of the funds. Ms. Breed stated her suggested amendment did not mean that Bindlestiff would receive \$317,000, but would set a maximum amount so that staff and Bindlestiff could work together to strategize on the capital improvement costs to ensure that everyone was on the same page. Ms. Breed stated she was still seriously concerned with the communications and asked Bindlestiff to work closely with staff and to be upfront and realistic with what they can and cannot do.

Executive Director Rosen stated that for purposes of the action before the Commission, which was a budget action, it could not be an amount not to exceed, and it had to be a proposed amendment to the South of Market budget. Ms. Rosen stated that allocating funds in the budget would not give the money to any organization or authorize any contract. Ms. Rosen suggested that Commissioner Breed could make a motion to amend the proposed Agency budget for the fiscal year July 1, 2006 to June 30, 2007 to add \$317,000 to the South of Market Redevelopment Project Area budget for the purpose of providing additional funding for the construction of Bindlestiff Studio and authorizing the Executive Director to submit the amended budget to the Mayor and the Board of Supervisors and further clarifying that any commitment of funds for this purpose is subject to further Commission action.

President Peterson interjected and asked if Commissioner Yee would amend his original motion.

Commissioner Yee stated he agreed to amend his original motion to reflect what the Executive Director had suggested.

Commissioner Breed seconded Commissioner Yee's motion.

Commissioner Covington stated she agreed with a number of points that Commissioner Breed had made. Ms. Covington stated although her tenure on the Commission was just over one year, Bindlestiff Studio had come before the Commission on at least two occasions and was supported by the Commission. Ms. Covington stated that Bindlestiff had always been gracious in their comments and appreciative of the Commission's support, so she was at a loss as how the current situation had come about, and asked if someone from Bindlestiff could tell the Commission what happened since the last time they were before the Commission and monies were earmarked.

Mr. Torres stated they had been speaking with a lot of people about their project, including Supervisors, community members, Commissioners and Agency staff, and everyone had been very supportive. Mr. Torres stated that their grant agreement with the Agency required them to raise \$210,000 by May 16, 2007, and they had received a commitment of \$100,000 from the MOEWD, \$60,000 from the MOCD, \$17,000 that they had raised, \$15,000 from the Fleishacker Foundation, which brought them close to the \$210,000 they needed to raise. Mr. Torres stated that when they reached the \$210,000 amount, the grant agreement stated that they had to speak with Agency staff to figure out what the next steps would be. Mr. Torres stated that along with achieving the \$210,000 amount, a matching grant of \$100,000 from the Agency would be added, and as mentioned by Executive Director Rosen, that would bring the total funds to around \$300,000. Mr. Torres stated they were just looking to move forward faster, because they were trying to do the work necessary as best they could, but there was also the new theater space in the Plaza Apartments that was not being used. Mr. Torres stated the Agency had the power to help Bindlestiff to keep moving forward, and that was why they were before the Commission.

Commissioner Covington asked how many foundations had Bindlestiff approached in the last year for funding, and if they had a grant-writer on staff. Ms. Covington asked other than the grant from the Fleishacker Foundation, if there were other grants forthcoming.

Mr. Torres stated they had approached eight foundations for funding. Mr. Pangilinan stated they hired a capital campaign consultant who wrote the grant applications during the first two years of the predevelopment grant. Mr. Pangilinan stated in the past, they had received grants for operations and programming, including a \$10,000 grant from the James Irvine Foundation, \$2,000 from Zellerbach, and other smaller foundation grants for programming. Mr. Pangilinan stated they had applied to the California Cultural Historical Endowment, but was denied.

Commissioner Covington stated she was really concerned that the matter had come to the Commission in the manner it did, because in the past, Bindlestiff had stated that the monies earmarked for their project was

sufficient to do what they needed to do, and then the Commission was told that there was a great shortfall of funds. Ms. Covington stated this had nothing to do with the fine work that Bindlestiff was doing, and it really had to do with process and what was appropriate and not appropriate. Ms. Covington stated there was a tremendous amount of goodwill on the Commission for the Bindlestiff Studio, but the matter was not being handled correctly at all, and there was a feeling that the Agency was being looked at as "deep pockets" for Bindlestiff's wish-list. Ms. Covington stated that unfortunately, no matter how the issues were resolved, that was a perception that would remain, which was unfortunate. Ms. Covington inquired about the motion to amend the Agency's budget to add \$317,000 to the South of Market budget, and asked where the \$317,000 would come from.

Executive Director Rosen stated of course, the Board of Supervisors approved the Agency's budget, and the way that staff would propose funding a capital expense such as this, would be through the use of bond sales proceeds. If the Board of Supervisors were to approve the Agency's budget, it would likewise approve the issuance of a tax increment bond of \$317,000 more than the Agency otherwise would have issued. In subsequent years, beginning in 2006/2007 and continuing probably for 20 to 30 years, there would be debt service that would come out of South of Market tax increment generated in future years. Ms. Rosen stated it was essentially like taking a mortgage, where the Agency would issue the debt in 2006/2007 that the Agency would pay back from tax increment for 20 to 30 years, so the money would come from the total amount of tax increment allocated to the South of Market Redevelopment Project Area.

Commissioner Covington requested verification that other entities would not be able to be funded to that level.

Executive Director Rosen stated there would be a total amount of tax increment that would be available, and it would be up to future Commissions and Board of Supervisors to make allocations, but once debt was sold, the first call on the dollars would be the debt service. Ms. Rosen stated there was sufficient tax increment generated by the South of Market Project Area to support this debt.

Commissioner Covington requested clarification on the City's budget process, and stated that the Agency's budget approved by the Commission a few months ago obviously did not include the additional amount requested.

Executive Director Rosen stated the process for Board of Supervisors adoption was two-fold: it would have to adopt an interim budget, which would carry the Agency for one month, and the Board resolution adopting the Agency's interim budget was scheduled before the Board of Supervisors' Budget and Finance Committee, chaired by Supervisor Chris

Daly, the next day, June 21st, followed by another budget hearing by the same committee scheduled for June 28th, and then the full Board usually consider final adoption in mid-July. Ms. Rosen stated the Board of Supervisors' budget analyst would give a report to the Board on the Agency's proposed budget, and the proposed amendment to the Agency's budget would be submitted to the Board as soon as possible to avoid any delays on the hearings and action on the Agency's budget,

Commissioner Covington stated she agreed with Commissioner Breed that the amount of money should be requested, and that she understood that the money would not be earmarked at this time for Bindlestiff Studio.

Executive Director Rosen stated as a planning measure, the amount would be in the South of Market budget under the public improvements in the same category for the program budget that included funding for the Project Area Committee and the South of Market Health Center, which were part of the original budget approved by the Commission. Ms. Rosen stated the \$317,000 amount would be added to that budget, but it would not be an appropriation of funds, and would require either an amendment of the existing agreement with Bindlestiff or a new agreement approved by the Commission. Ms. Rosen stated Bindlestiff Studio could also not take occupancy of any space of the building owned by the Agency without having a lease that would give them entitlement to be in the space. Ms. Rosen stated the Commission heard Bindlestiff state that they would raise the money and move in to the new space, but there was a long process that would include approvals by the Commission, a public bidding process to select a contractor once there was agreement on the construction scope, and lease negotiations with Bindlestiff Studio. Ms. Rosen stated there would be a lot of other organizational steps between a budget action and actually occupying the space.

President Peterson stated the process through which the matter had come before the Commission had not been a positive one for the Agency, and essentially, the political blackmail that was being played was unfortunate, where the Agency was put in a position either to put the requested amount in the budget or not pay the salaries of the Agency employees for a period of time. Mr. Peterson stated he was willing to continue to support Bindlestiff Studio as he had in the past, but personally, he wanted Bindlestiff Studio to know, that he was not pleased with the situation and the environment in which the Commission had to consider the request, essentially with a gun to the Commission's head. Mr. Peterson stated he would support the motion to amend the Agency's budget to include the requested amount.

Commissioner Singh stated he had supported Bindlestiff Studio from the beginning, and that the Commission should give full authority to the Executive Director to do whatever was necessary to help them out.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT), TO AMEND THE PROPOSED AGENCY BUDGET FOR THE FISCAL YEAR JULY 1, 2006 TO JUNE 30, 2007 TO ADD \$317,000 TO THE SOUTH OF MARKET REDEVELOPMENT PROJECT AREA BUDGET FOR THE PURPOSE OF PROVIDING ADDITIONAL FUNDING FOR THE CONSTRUCTION OF BINDLESTIFF STUDIO AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE AMENDED BUDGET TO THE MAYOR AND THE BOARD OF SUPERVISORS AND FURTHER CLARIFYING THAT ANY COMMITMENT OF FUNDS FOR THIS PURPOSE IS SUBJECT TO FURTHER COMMISSION ACTION.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- President Peterson announced that due to the Fourth of July Holiday, the Commission would not have its normally scheduled first Tuesday Commission meeting, and the next regularly scheduled Commission meeting would be held on Tuesday July 18th.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen announced that one of the projects in Mission Bay that have affordable units was having a lottery on Wednesday July 5th at the offices of Avalon-Mission Bay, 255 King Street near Fourth Street. There would be advertisements in the newspapers beginning July 2nd for one- and two-bedroom apartments that would become available, with priority for certificate of preference holders. There would be 19 units available, and for more information, call Avalon-Mission Bay at 615-9100 for applications and information about the lottery.
- Supervisor Ross Mirkarimi introduced legislation regarding the Community Benefits District. The Western Addition Citizens' Advisory Committee voted to endorse the concept, and the Board of Supervisors' Government, Audit and Oversight Committee would be conducting a hearing on June 26th at 1:00 p.m., and following that, the full Board of Supervisors on June 27th.

- Blue Greenway event in Bayview Hunters Point on Saturday June 24th, from 11:00 a.m. to 4:00 p.m. – Mayor Newsom, Supervisor Maxwell and community members would be in attendance to celebrate the launch of the Bay Trail, public art and access to the waterfront in Bayview Hunters Point.

9. **COMMISSIONERS' QUESTIONS AND MATTERS** None.

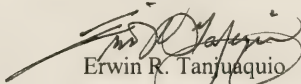
10. **CLOSED SESSION**

- 10 (a) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with the Service Employees International Union (SEIU) Local 790 representing the Local 790 bargaining unit and with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/ Technical bargaining unit. Agency negotiators: Marcia Rosen, Ora Meacham, and James B. Morales.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:36 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

July 18, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
AND

MINUTES OF A SPECIAL MEETING OF THE CITY AND
COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY
HELD ON THE 18TH DAY OF JULY 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of July 2006, at the place and date duly established for holding of such a meeting.

Vice-President London Breed was acting President for this meeting.

President London Breed called the meeting to order at 4:00 p.m. Ms. Breed welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Breed asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Breed stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but are related to general Agency business would be Item 6 on the agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

London Breed, Vice-President
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

And the following were absent:

Richard H. Peterson Jr., President
Francee Covington

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE JUNE 6TH COMMISSION MEETING

- 3 (a)** Resolution No. 77-2006, Authorizing an exclusive negotiations agreement with Mercy Housing California, a California nonprofit public benefit corporation, and Community Housing Partnership, a California public benefit corporation, for the development of 120 units of very low-income supportive housing on Central Freeway Parcel G, southeast corner of Gough and Fulton Streets; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Executive Director Rosen stated as the Commission would recall, it continued the matter at the request of the Western Addition Citizens' Advisory Committee (WACAC) chair in order to provide WACAC with an opportunity to hear the matter. Ms. Rosen stated that WACAC did hear the matter at its meeting of July 13th and that WACAC recommended that the Agency reissue the Request for Proposals (RFP) for Central Freeway Parcel G. Ms. Rosen stated as indicated on the staff memorandum, staff believed that the previous RFP was a valid selection process with a thorough evaluation and recommendation, but on the basis of WACAC's recommendation, staff was recommending the reissuance of the RFP, and would do so immediately in order to expedite the selection process and get the critically-needed supportive housing underway.

Speakers: Ace Washington, Jeff Kositsky, Randall Evans, Rev. Arnold Townsend

Commissioner Romero stated he recalled when the matter was first before the Commission at its meeting on June 6th, and that the Agency had gone through an elaborate process of soliciting developers, reviewing their proposals and the matter was continued to provide more opportunity for review and discussion. Mr. Romero stated he wanted to find out how much money had been spent on the selection process, because in one breath the Agency stated it thought the process was fair and staff made a good choice of the recommended developer, and on the other hand, staff was recommending the reissuance of the RFP and to go through the whole selection process over again. Mr. Romero stated it seemed to him not a wise expenditure if indeed the Agency thought there was not anything wrong with the selection process. Mr. Romero stated he would like the information on how much had been spent on the selection process at a subsequent meeting.

Executive Director Rosen stated staff could obtain the actual expenditures for the mailing, noticing, advertising and printing, but there had also been significant amount of staff and community time, and staff would provide the information at a later time.

Commissioner King stated since the community had requested the Agency to reissue the RFP, he would put forth a motion to table the matter and reissue the RFP for Central Freeway Parcel G.

Commissioner Singh seconded Commissioner King's motion.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT), THAT ITEM 3 (a) RESOLUTION NO. 77-2006, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND COMMUNITY HOUSING PARTNERSHIP, A CALIFORNIA PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 120 UNITS OF VERY LOW-INCOME SUPPORTIVE HOUSING ON CENTRAL FREEWAY PARCEL G, SOUTHEAST CORNER OF GOUGH AND FULTON STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE TABLED INDEFINITELY AND TO REISSUE THE REQUEST FOR PROPOSALS FOR CENTRAL FREEWAY PARCEL G.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meeting of June 20, 2006
- 4 (b)** Resolution No. 89-2006, Authorizing a Sixth Amendment to the Personal Services Contract with EIP Associates, a California corporation, in an amount not to exceed \$6,010 for a total aggregate amount not to exceed \$998,010 for consulting services related to the Environmental Impact Report on the Bayview Hunters Point Redevelopment Plan Amendments and to extend the term of the contract from June 30, 2006 to August 31, 2006; Hunters Point, India Basin Industrial Park and Bayview Industrial Triangle Redevelopment Project Areas, Bayview Hunters Point Redevelopment Survey Area
- 4 (c)** Resolution No. 90-2006, Authorizing an extension of time from July 29, 2006 to December 31, 2006 for the Agency's panel of independent fee appraisers and appraisal firms to continue to provide appraisal services on an as-needed basis; all redevelopment project areas

Commissioner Yee noted that the personal services contract for consent agenda item 4 (b) with EIP Associates had expired, and asked why staff did not bring the matter to the Commission before the contract's expiration.

Executive Director Rosen stated the matter was really a request to extend the contract for the purpose of printing the reformatted Environmental Impact Report (EIR) for Bayview Hunters Point so that the document would be available for the public, Agency staff and others to use in a more convenient form. Ms. Rosen stated it was not that the consultant did not complete the scope of work in a timely fashion, and staff was asking them to complete this one last task of reformatting the EIR for the convenience of the public.

Commissioner Yee asked if the Executive Director thought if it would have been better to request the extension prior to the June 30th expiration.

Executive Director Rosen stated she supposed it would have been better to request the extension prior to the June 30th expiration, but that she did not think there was any legal or programmatic problem with the proposed contract extension. Ms. Rosen stated the reason may have been because of the spacing of the Commission meetings and the full agenda of the last Commission meeting.

Commissioner Yee put forth a motion to adopt the consent agenda.

Commissioner Romero seconded Commissioner Yee's motion and stated that he would abstain from voting on the June 20th meeting minutes as he was absent.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JUNE 20, 2006 (MR. ROMERO ABSTAINING), 4 (b) RESOLUTION NO. 89-2006, AUTHORIZING A SIXTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH EIP ASSOCIATES, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$6,010 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$998,010 FOR CONSULTING SERVICES RELATED TO THE ENVIRONMENTAL IMPACT REPORT ON THE BAYVIEW HUNTERS POINT REDEVELOPMENT PLAN AMENDMENTS AND TO EXTEND THE TERM OF THE CONTRACT FROM JUNE 30, 2006 TO AUGUST 31, 2006; HUNTERS POINT, INDIA BASIN INDUSTRIAL PARK AND BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREAS, BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, AND 4 (c) RESOLUTION NO. 90-2006, AUTHORIZING AN

EXTENSION OF TIME FROM JULY 29, 2006 TO DECEMBER 31, 2006 FOR THE AGENCY'S PANEL OF INDEPENDENT FEE APPRAISERS AND APPRAISAL FIRMS TO CONTINUE TO PROVIDE APPRAISAL SERVICES ON AN AS-NEEDED BASIS; ALL REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

At this time, approximately 4:26 p.m., the Agency Commission recessed to consider items on the Financing Authority Agenda.

The City and County of San Francisco Redevelopment Financing Authority met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:27 p.m. on the 18th day of July 2006, at the place and date duly established for holding of such a meeting.

1. Election of Officers (calendar year 2006): Chairman, Vice-Chairman, and Board Secretary.

Acting Chairman Breed stated she would entertain nominations for the office of Chairman for the Financing Authority.

Board member King stated he was opposed to the election because the election of officers for both the Agency Commission and the Financing Authority was always conducted at the same time, and asked why the election of officers for the Financing Authority was being conducted separately.

Executive Director Rosen stated it was her understanding that the Agency conducted the election of officers for the Financing Authority as a formality because the Financing Authority was a separate body, but that historically, it had been the custom of the Commission to nominate the same officers of the Agency Commission to the Financing Authority, and this was done in a separate meeting when Agency bonds were issued.

Commissioner King stated he thought that the election of officers was conducted at the end of the calendar year.

Executive Director Rosen stated that pursuant to the Agency's bylaws, the Commission conducted an election of officers for the upcoming calendar year for the Agency Commission, and then as a matter of custom and courtesy, the Commission generally elected the same officers to the Financing Authority at the time that the Agency issued bonds.

Commissioner King stated he thought that when the Commission elected its officers at the end of the year, it also elected officers for the Financing Authority.

Executive Director Rosen stated she did not believe that the Commission elected the Financing Authority officers when it elected officers for the Agency Commission at the end of each calendar year.

Commissioner King stated he did not agree and that he recalled differently. Mr. King stated he did not want to have an election of officers because there may be different officers elected for the Agency Commission.

Executive Director Rosen stated all the Commission was acting on for this meeting of the Financing Authority was who the officers would be until the next meeting of the Financing Authority, at which time, officers would likely be elected to match the same officers as that of the Agency Commission. Ms. Rosen stated that officers would be necessary for the Financing Authority to proceed.

Chairman Breed requested verification that the Commission, acting as the Financing Authority, when it authorized the issuance of Agency bonds, would elect officers each time it considered the bond issuances, perhaps twice a year.

Executive Director Rosen verified that the Financing Authority, which ordinarily met once a year, for the purpose of issuing the Agency's debt through the Financing Authority, which issues the debt and would loan it to the Agency to have the funds available, would elect officers each time.

Chairman Breed stated she recalled that last year, when Commissioners Covington, Peterson and herself were appointed to the Commission, an election of officers for the Agency Commission was held during the mid-year, as well as an election of officers for the Financing Authority around the same time, and the Commission did conduct an election of officers at the end of the year, and there was not an election of officers for the Financing Authority. Ms. Breed stated she would entertain nominations for the office of Chairman, for the Financing Authority.

Board member Yee stated it had been the custom of the Agency Commission once a year, to elect the same officers of the Agency Commission to the Financing Authority to consider authorization of issuing Agency bonds. Mr. Yee stated that Commissioner King was referring to the election held at the end of the year of the incoming officers of the Agency Commission. Mr. Yee stated he would put forth nominations for Board members Rich Peterson and London Breed for the offices of chairman and vice-chairman, respectively.

Chairman Breed asked if the board could make multiple nominations, or would it have to nominate the officers separately.

General Counsel James Morales stated typically, the chair would open nominations for one office at a time, determine that there were no other nominations, and then vote on the nomination for that office, and move to the next office. Mr. Morales stated it would be appropriate just to consider nominations for the office of Chairman at that time.

MR. YEE NOMINATED RICH PETERSON FOR THE OFFICE OF BOARD CHAIRMAN. MR. SINGH SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY (MS. COVINGTON AND MR. PETERSON ABSENT) TO ELECT RICH PETERSON AS BOARD CHAIRMAN.

MR. SINGH NOMINATED LONDON BREED FOR THE OFFICE OF BOARD VICE-CHAIRMAN. MR. ROMERO SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY (MS. COVINGTON AND MR. PETERSON ABSENT) TO ELECT LONDON BREED AS BOARD VICE-CHAIRMAN.

MR. YEE NOMINATED ERWIN R. TANJUAQUIO FOR THE OFFICE OF BOARD SECRETARY. MR. ROMERO SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY (MS. COVINGTON AND MR. PETERSON ABSENT) TO ELECT ERWIN R. TANJUAQUIO AS BOARD SECRETARY.

2. MATTERS OF NEW BUSINESS:

Items 2 (a) and (b) were presented together and acted upon separately.

- 2 (a)** Resolution No. 1-2006, Authorizing the issuance of the 2006 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) in an amount not to exceed \$60,000,000 approving forms of an indenture of trust, loan agreements, a purchase contract and an official statement, authorizing the sale of the bonds, and authorizing and approving other matters properly relating thereto; Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area, Yerba Buena Center Redevelopment Project Area, Rincon Point – South Beach Redevelopment Project Area and Mission Bay North Redevelopment Project Area
- 2 (b)** Resolution No. 2-2006, Authorizing the issuance of the 2006 Series B Tax Allocation Revenue Bonds (Mission Bay North Redevelopment Project - Infrastructure) in an initial aggregate principal amount not to exceed \$40,000,000; approving forms of indenture of trust, loan agreement, purchase contract and official statement, authorizing the sale of the bonds, and authorizing and approving other matters properly relating thereto; Mission Bay North Redevelopment Project Area

Presenters: Mario Menchini (Agency staff)

Speakers: Randall Evans

Board member Yee asked what the difference was between the Series A taxable tax allocation revenue bonds and the Series B tax allocation revenue bonds.

Mr. Mario Menchini, Senior Financial Analyst, stated the Series A bonds were taxable bonds, meaning that the interest earned from the bonds would be taxable, and because the Agency wishes to be able to make loans with affordable housing monies, the Agency had to sell taxable debt, because it could not use tax exempt debt to make such loans under the Agency's affordable housing program. Mr. Menchini added that tax exempt debt could not be used for a private interest. Mr. Menchini stated the Series B bonds would be used entirely to build streets, sidewalks and infrastructure, which qualified for tax exempt issuance.

Board member Singh asked what the interest rate was.

Mr. Menchini stated staff believed that the interest would be in the low six percent range, perhaps 6.10% for the taxable bonds.

Board member Singh put forth a motion to adopt item 2 (a). Board member Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT) THAT AGENDA ITEM 2 (a) RESOLUTION NO. 1-2006, AUTHORIZING THE ISSUANCE OF THE 2006 SERIES A TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) IN AN AMOUNT NOT TO EXCEED \$60,000,000 APPROVING FORMS OF AN INDENTURE OF TRUST, LOAN AGREEMENTS, A PURCHASE CONTRACT AND AN OFFICIAL STATEMENT, AUTHORIZING THE SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA, YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, RINCON POINT – SOUTH BEACH REDEVELOPMENT PROJECT AREA AND MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT) THAT AGENDA ITEM 2 (b) RESOLUTION NO. 2-2006, AUTHORIZING THE ISSUANCE OF THE 2006 SERIES B TAX ALLOCATION REVENUE BONDS (MISSION BAY NORTH REDEVELOPMENT PROJECT - INFRASTRUCTURE) IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000; APPROVING FORMS OF INDENTURE OF TRUST, LOAN AGREEMENT, PURCHASE CONTRACT AND OFFICIAL STATEMENT, AUTHORIZING THE SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

3. Adjournment

It was moved by Mr. Singh, seconded by Mr. Yee, and unanimously carried that the Financing Authority meeting be adjourned. The meeting adjourned at 4:47 p.m.

The Agency Commission reconvened at 4:50 p.m. to consider the remaining Agenda

REGULAR AGENDA

Items 4 (d) and (e) were presented together and acted upon separately.

- 4 (d)** Resolution No. 91-2006, Authorizing the execution of loan agreements in an aggregate principal amount not to exceed \$60,000,000 relating to the issuance of the 2006 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) by the City and County of San Francisco Redevelopment Financing Authority; approving the final official statement relating to the bonds, and authorizing and approving other matters properly relating thereto; Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area, Rincon Point – South Beach Redevelopment Project Area, Yerba Buena Center Redevelopment Project Area and Mission Bay North Redevelopment Project Area
- 4 (e)** Resolution No. 92-2006, Authorizing the execution of a loan agreement in an aggregate principal amount not to exceed \$40,000,000 relating to the issuance of 2006 Series B Tax Allocation Revenue Bonds (Mission Bay North Redevelopment Project - Infrastructure) by the City and County of San Francisco Redevelopment Financing Authority, approving the final official statement relating to the bonds, and authorizing and approving other matters properly relating thereto; Mission Bay North Redevelopment Project Area

Executive Director Rosen stated these items were the other half of the transaction that the Financing Authority just approved, and Mr. Mario Menchini would be available to make the presentation, should the Commission so desire.

President Breed stated a staff presentation would not be necessary.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 91-2006, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 RELATING TO THE ISSUANCE OF THE 2006 SERIES A TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA, RINCON POINT – SOUTH BEACH REDEVELOPMENT PROJECT AREA, YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA AND MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT) THAT ITEM 4 (e) AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 RELATING TO THE ISSUANCE OF 2006 SERIES B TAX ALLOCATION REVENUE BONDS (MISSION BAY NORTH REDEVELOPMENT PROJECT - INFRASTRUCTURE) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY, APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f) and (g) were presented together and acted upon separately.

- 4 (f)** Resolution No. 93-2006, Authorizing an Owner Participation Agreement with Mr. Wing Lee, an owner participant, for the development of a two-story, single-family dwelling on 1403 Hudson Avenue (Assessor's Block 4710, Lot 056), a vacant lot located on Hudson Avenue between Mendell and Keith Streets; Bayview Hunters Point Redevelopment Project Area
- 4 (g)** Resolution No. 94-2006, Conditionally approving a schematic design for the development of a two-story, single-family dwelling on 1403 Hudson Avenue (Assessor's Block 4710, Lot 056), a vacant lot located on Hudson Avenue between Mendell and Keith Streets; Bayview Hunters Point Redevelopment Project Area

Presenters: Alicia Bert (Agency staff)

Commissioner Yee asked if the lot was zoned RH-1. Mr. Yee asked for clarification on the square footage of the proposed development. Mr. Yee asked what the height limit was for the lot and why the proposed development's height was not being maximized.

Ms. Alicia Bert, Development Specialist, stated the lot was zoned RH-1 and complied with the redevelopment plan's requirement for residential use. Ms. Bert stated the proposed development was initially slightly larger by 200 square feet, but given the hilly topography, the development was scaled back. Ms. Bert stated she believed the height limit was 35 feet. Ms. Bert stated that the square footage of the proposed development was reasonable and proportionate to the size of the lot.

Commissioner Yee put forth a motion to adopt item 4 (f).

Commissioner Romero seconded Commissioner Yee's motion and stated he thought that the building would be very attractive.

Commissioner Singh asked if the proposed development was for the developer's personal use.

Ms. Bert stated that the proposed development would be the owner's residence.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 93-2006, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH MR. WING LEE, AN OWNER PARTICIPANT, FOR THE DEVELOPMENT OF A TWO-STORY, SINGLE-FAMILY DWELLING ON 1403 HUDSON AVENUE (ASSESSOR'S BLOCK 4710, LOT 056), A VACANT LOT LOCATED ON HUDSON AVENUE BETWEEN MENDELL AND KEITH STREETS; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT) THAT ITEM 4 (g) CONDITIONALLY APPROVING A SCHEMATIC DESIGN FOR THE DEVELOPMENT OF A TWO-STORY, SINGLE-FAMILY DWELLING ON 1403 HUDSON AVENUE (ASSESSOR'S BLOCK 4710, LOT 056), A VACANT LOT LOCATED ON HUDSON AVENUE BETWEEN MENDELL AND KEITH STREETS; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (h) and (i) were presented together and acted upon separately.

- 4 (h)** Resolution No. 95-2006, Certifying the Final Environmental Impact Report and adopting environmental findings and a statement of overriding considerations pursuant to the California Environmental Quality Act ("CEQA") and State CEQA Guidelines and authorizing an Owner Participation Agreement with Lambert Development LLC, a Delaware limited liability company, for the development of a 74-unit residential project located at 64-72 Townsend Street, Assessor's Block 3789, Lot 3, at the northwest corner of Townsend and Colin P. Kelly Jr. Streets; Rincon Point – South Beach Redevelopment Project Area
- 4 (i)** Resolution No. 96-2006, Conditionally approving a schematic design for the development of a 74-unit residential project located at 64-72 Townsend Street, Assessor's Block 3789, Lot 3, at the northwest corner of Townsend and Colin P. Kelly Jr. Streets; Rincon Point – South Beach Redevelopment Project Area

Presenters: Tiffany Bohee (Agency staff), Tom Sprinkle (Architect)

Speakers: Randall Evans

Commissioner Singh stated he was glad to hear that Mr. Randall Evans was supportive of the proposed project. Mr. Singh asked what the total development cost of the project was and if there were minority contracts.

Ms. Tiffany Bohee, Development Specialist, stated the development cost was estimated at \$36 million. Ms. Bohee stated the developer would be participating in the Agency's Small Business Enterprise program and had volunteered to comply with the Agency's prevailing wage requirements.

Commissioner Singh put forth a motion to adopt item 4 (h).

Commissioner Yee asked what the height limit was and requested verification that the proposed development had a height of 65 feet. Mr. Yee asked if there was an estimated sales price for the proposed units.

Ms. Bohee stated the height limit for the parcel was 105 feet and the proposed development would have a total height of 99 feet, with the existing historic structure at 35 feet and about 60 feet for the proposed new addition.

Mr. Larry Pace of Lambert Development, stated the average projected sales price of the housing units was \$800 per square foot, and a 750-square foot unit was estimated to be sold in the high \$700,000.

Commissioner Yee seconded Commissioner Singh's motion to adopt item 4 (h).

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 95-2006, CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT AND ADOPTING ENVIRONMENTAL FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") AND STATE CEQA GUIDELINES AND AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH LAMBERT DEVELOPMENT LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF A 74-UNIT RESIDENTIAL PROJECT LOCATED AT 64-72 TOWNSEND STREET, ASSESSOR'S BLOCK 3789, LOT 3, AT THE NORTHWEST CORNER OF TOWNSEND AND COLIN P. KELLY JR. STREETS; RINCON POINT – SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. PETERSON ABSENT) THAT ITEM 4 (i) CONDITIONALLY APPROVING A SCHEMATIC DESIGN FOR THE DEVELOPMENT OF A 74-UNIT RESIDENTIAL PROJECT LOCATED AT 64-72 TOWNSEND STREET, ASSESSOR'S BLOCK 3789, LOT 3, AT THE NORTHWEST CORNER OF TOWNSEND AND COLIN P. KELLY JR. STREETS; RINCON POINT – SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Cristal Java, Charles Spencer, Ace Washington, Randall Evans, Agonafer Shiferaw

7. REPORT OF THE PRESIDENT

- President Breed requested the Executive Director to schedule a workshop with the CAC to discuss the exit plan for the Western Addition, and following discussion and recommendations from the CAC, to schedule a workshop before the Commission.

- President Breed also requested a workshop to be scheduled with the CAC on the 1210 Scott Street property on an on-going basis to discuss the progress of the development of the property. Ms. Breed requested an update on the 1210 Scott Street property by way of an informational memorandum or maybe a Commission workshop.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated she would be very happy to provide the requested information on the exit plan for the Western Addition and an update on the 1210 Scott Street property.
- Executive Director Rosen stated she wanted to clarify and correct some misinformation presented during public comment. The matter that was heard at the CAC meeting was presented at the request of the CAC. The Agency, neither staff nor the Executive Director had engaged in any negotiations over the sale of the 1210 Scott Street property. Ms. Rosen stated it was her understanding that some members of the CAC and other members of the Western Addition community had been in some very informal discussions with parties about potential uses. Ms. Rosen stated last year, the Commission did not make a decision about how to use 1210 Scott Street, but rather, the Commission directed staff to work with the CAC to get a recommendation from the CAC about what the use of 1210 Scott Street should be. Ms. Rosen stated it was her understanding that there had been numerous discussions at CAC subcommittee meetings as well as the full CAC. Ms. Rosen stated she was not sure if the CAC voted to request the Agency to prepare an analysis, but the chair of the CAC requested Agency staff to prepare an analysis of what the assessed value of 1210 Scott Street was, and if the property was sold for the assessed value, how the sales proceeds might be used to deepen affordability of other Agency affordable homeownership projects. Mr. Olson Lee, Deputy Director for Housing, did provide the requested information at the CAC meeting. Ms. Rosen stated there had been no discussions and that of course, the decision of what to do about 1210 Scott Street was the Commission's decision. Ms. Rosen stated the Commission asked the staff to work with the CAC, and the CAC was still deliberating on the matter, so there was no staff recommendation or action with respect to the 1210 Scott Street property. Ms. Rosen stated she would communicate President Breed's request for a CAC workshop on the matter, and believed that the CAC had continued discussion of the matter at the next CAC meeting. Ms. Rosen stated by way of background, that at the time that the former Podiatry College sold a portion of the property to the high school that now occupied a portion of the site, the Agency took back a portion of the property, which was the 1210 Scott Street parcel. At that time, the

Agency staff, in discussions with the then Commission, did recommend affordable housing and conducted a series of community meetings over the use of the property for affordable homeownership. Ms. Rosen stated there was not a community consensus from the community meetings, and the Commission never authorized the issuance of a Request for Proposals for the development of the property, because the community kept asking for more and more meetings, and there was no consensus on the use of the property. Ms. Rosen stated that presently, staff is following the Commission's direction to work collaboratively with the CAC to formulate a recommendation to Agency staff and the Commission. Ms. Rosen stated that likewise, on the exit plan for the Western Addition, staff had been working on pulling together all of the documentation that the Commission and the CAC had previously asked for, and that she would convey to the chair of the CAC, President Breed's request to schedule a CAC workshop to discuss the exit plan. Ms. Rosen stated she had a meeting scheduled on Friday July 21st with Rev. Arnold Townsend, the chair of the Western Addition CAC. Ms. Rosen stated that Ms. Gaynell Armstrong, the Project Manager for the Western Addition, apologized for not being able to stay at the meeting, but the Director would convey to her President Breed's requests.

- The Board of Supervisors earlier in the afternoon, did unanimously approve the Agency's 2006/2007 budget, and also approved the loan from the general fund for the Agency's work in the Bayview Hunters Point Project Area and Visitacion Valley Survey Area, where the Agency had no other sources of funds. The Agency proposed that the City lend the Agency funds that would be repaid with tax increment funds, if indeed tax increment was generated. The loan agreements for Bayview Hunters Point and Visitacion Valley were scheduled to be before the Commission's consideration at its August 1st meeting.
- Topping-out reception for the Fillmore Heritage Center project on Friday July 28th, at 4:00 p.m. at Fillmore and Eddy Streets.
- Community meeting on Monday July 24th from 5:00 to 7:00 p.m. at the African-American Arts and Culture Complex, to discuss the Community Benefits District proposed for Western Addition. Supervisor Mirkarimi introduced legislation, which the full Board of Supervisors adopted, and the community outreach was continuing, with the CAC voting to endorse the proposed Community Benefits District. The community meeting was sponsored by the MJM Management Group and the steering committee for the Community Benefits District.

- Marketing flyer for The Avenue, a senior assisted living facility at 1035 Van Ness Avenue. The contact information is (415) 776-1800 and on the internet, www.info@theAvenueSF.com, and Agency staff would also be available to provide information.
- Groundbreaking ceremony for The Contemporary Jewish Museum in Yerba Buena Center, Wednesday July 19th at 10:30 a.m.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee asked if the Board of Supervisors approved Agency budget included the additional funds requested for the Bindlestiff Studio project.

Executive Director Rosen stated that the approved Agency budget did include the additional funds requested for the Bindlestiff Studio project, and staff would provide an informational memorandum on the Agency budget as adopted by the Board of Supervisors.

- President Breed requested verification with regard to the Bindlestiff Studio project, the matter would be brought back to the Commission for discussion and consideration.

Executive Director Rosen stated that the funds requested for the Bindlestiff Studio project was approved as an amount in the Agency's budget, but that any action to loan or grant that money to Bindlestiff Studio, would be a separate action for the Agency Commission.

- Commissioner Yee asked what the lot size was for the 1210 Scott Street property.

Executive Director stated she did not recall the lot size of the property, but staff had initially determined that the parcel could accommodate the development of about 18 townhouse units.

- Commissioner Yee asked why only 18 units.

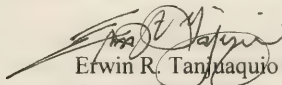
Executive Director Rosen stated the parcel was not a conventional San Francisco parcel, and is a shallow lot running the length of Scott Street, and would not accommodate a lot of units.



10 ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:49 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

August 1, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
1ST DAY OF AUGUST 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of August 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but are related to general Agency business would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond, on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh

And the following were absent:

London Breed, Vice-President
Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

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AUG 23 2006

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2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of July 18, 2006

4 (b) Resolution No. 97-2006, Authorizing an extension of time of up to 150 days for completion of Contract RPSB 004-03 with Angotti & Reilly, Inc., a California corporation, from July 22, 2006 to December 21, 2006, for South Beach Park and Harbor Improvements; Rincon Point - South Beach Redevelopment Project Area

4 (c) Resolution No. 98-2006, Authorizing the execution of the Bayview Hunters Point Redevelopment Project Area and Survey Area loan agreement in an amount not to exceed \$921,000, and limitations on the expenditure of the loan amount, for implementation and planning activities with the City and County of San Francisco; Bayview Hunters Point Redevelopment Project Area

4 (d) Resolution No. 99-2006, Authorizing the execution of the Visitacion Valley Redevelopment Survey Area loan agreement in an amount not to exceed \$531,000 for planning activities, with the City and County of San Francisco; Visitacion Valley Redevelopment Survey Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT), THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JULY 18, 2006, 4 (b) RESOLUTION NO. 97-2006, AUTHORIZING AN EXTENSION OF TIME OF UP TO 150 DAYS FOR COMPLETION OF CONTRACT RPSB 004-03 WITH ANGOTTI & REILLY, INC., A CALIFORNIA CORPORATION, FROM JULY 22, 2006 TO DECEMBER 21, 2006, FOR SOUTH BEACH PARK AND HARBOR IMPROVEMENTS; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, 4 (c) RESOLUTION NO. 98-2006, AUTHORIZING THE EXECUTION OF THE BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA AND SURVEY AREA LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$921,000, AND LIMITATIONS ON THE EXPENDITURE OF THE LOAN AMOUNT, FOR IMPLEMENTATION

AND PLANNING ACTIVITIES WITH THE CITY AND COUNTY OF SAN FRANCISCO; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, AND 4 (d) RESOLUTION NO. 99-2006, AUTHORIZING THE EXECUTION OF THE VISITACION VALLEY REDEVELOPMENT SURVEY AREA LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$531,000 FOR PLANNING ACTIVITIES, WITH THE CITY AND COUNTY OF SAN FRANCISCO; VISITACION VALLEY REDEVELOPMENT SURVEY AREA, BE ADOPTED.

REGULAR AGENDA

Items 4 (e) and (f) were presented together and acted upon separately.

- 4 (e) Resolution No. 100-2006, Authorizing the execution of a Purchase and Sale Agreement with the Japanese American Religious Federation Assisted Living Facility, Inc., a California nonprofit public benefit corporation ("JALFI") for the acquisition of land at 1881 Bush Street, for the appraised value of \$5,000,000; and authorizing a First Amendment to the Tax Increment Loan Agreement with JALFI for the refinancing of the Kokoro Assisted Living Facility; Western Addition Redevelopment Project Area A-2
- 4 (f) Resolution No. 101-2006, Authorizing a ground lease with the Japanese American Religious Federation Assisted Living Facility, Inc., a California nonprofit public benefit corporation ("JALFI"), for a term of 69 years with a 30 year option, to operate 54 units of assisted living, including 37 permanently affordable units, at 1881 Bush Street; Western Addition Redevelopment Project Area A-2

Presenters: David Sobel (Agency staff)

Speakers: Caryl Ito, Rosie McCormick, Richard Grange, Stephanie Fuji, Laura Takeuchi, Ron Miao, Jeff Mori

Commissioner Romero stated that he was one of the Commissioners who had been there since the inception of the project, and could recall the early meetings with the positive energy and high hopes for the project. Mr. Romero stated he thought the one thing that had remained true throughout all of the ups and downs was that everyone associated with the project, the developers, community organizations, Agency staff and Commissioners, all had very good intentions, and everyone tried to do their noble best to do a project that most everyone had not done before, and everyone had to learn some difficult lessons. Mr. Romero stated it was important to remember the original goal of the project, which was to provide for the critical needs of the elderly in the community, and that Commissioners were very sensitive to

that need. Mr. Romero stated he hoped that the proposed purchase and sale agreement, refinancing and ground lease was a solution to the long-term viability of the Kokoro assisted living facility. Mr. Romero put forth a motion to adopt item 4 (e).

Commissioner Singh stated he attended the opening of Kokoro and visited the facility twice after that, and thought that it was a wonderful facility. Mr. Singh asked staff to provide information on how members of the Board of Directors were selected. Mr. Singh seconded Commissioner Romero's motion to adopt item 4 (e).

Commissioner Covington stated unlike the senior members of the Commission, she was not on the Commission when Kokoro was first voted upon, but she certainly thought that care of the elderly in the community was of paramount importance. Ms. Covington asked staff to provide a comparison contrast as to what happened to the original projections for the project and how the Agency found itself in the present situation, and to highlight for the Commission the changes proposed in order to avoid the same problem from occurring.

Mr. David Sobel, Senior Development Specialist, stated the initial underwriting for the project was done by outside consultants, including a development corporation affiliated with lender National Cooperative Bank, who claimed to be among the preeminent experts in developing affordable assisted living in the nation. All parties involved were relying upon that expertise for the projections on the project. The Agency had not financed an assisted living facility before, and an affordable assisted living facility was a unique development, for which there were no successful precedents in the country. Mr. Sobel stated staff believed that the Agency had come up with a solution to ensure Kokoro's financial stability that would serve as a national model for affordable assisted living facilities. Mr. Sobel stated the proposed financial restructuring along with a reconstituted board of directors would not only resolve the financial issues, but also place stewardship of the facility in the hands that would ensure a stable future, without relying upon the Agency's financial assistance.

Commissioner Covington stated Mr. Sobel made reference to coverage in the Japanese press and asked if there were copies of news articles printed in the Hokubei Mainichi and Nichi Bei Times.

Mr. Sobel stated he had copies of the news articles in the office, which were all favorable of the proposed refinancing. Mr. Sobel added that both the Planning and Development Subcommittee and the full Western Addition Citizens' Advisory Committee (CAC) endorsed the Agency's proposed refinancing. Mr. Sobel stated the project sponsor and the Agency presented at the Japantown Task Force, which also endorsed the proposal.

Commissioner Covington requested that copies of the news articles be provided to the Commission, and asked what the Agency's involvement would be in monitoring the restructuring.

Mr. Sobel stated the ground lease would have performance milestones and contractual obligations as to when the new bylaws would have to be submitted to the State for approval, and when the new board of directors would be in place. Mr. Sobel stated this would be the first level of the Agency's monitoring, and, in addition, the Agency would conduct its annual asset management of all of its projects with a review of financial statements, and for Kokoro, the Agency would receive monthly financial statements. Mr. Sobel stated staff was considering technical assistance to the board of directors to help them develop and form a strategic plan, through the local Initiatives Support Corporation.

Commissioner Covington thanked Mr. Sobel for the information and lent her support for the project.

President Peterson stated that earlier in the year, it was a desperate situation for the Kokoro facility, and recalled meeting with Mr. Steve Nakajo, Ms. Sandy Mori and Mr. Olson Lee from the Agency. Mr. Peterson commended everyone involved, in particular Agency staff, and stated that this was a good example of people working together and being creative. Mr. Peterson congratulated everyone and stated he was sure that the project would have the Commission's unanimous support.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 100-2006, AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH THE JAPANESE AMERICAN RELIGIOUS FEDERATION ASSISTED LIVING FACILITY, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION ("JALFI") FOR THE ACQUISITION OF LAND AT 1881 BUSH STREET, FOR THE APPRAISED VALUE OF \$5,000,000; AND AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH JALFI FOR THE REFINANCING OF THE KOKORO ASSISTED LIVING FACILITY; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 101-2006, AUTHORIZING A GROUND LEASE WITH THE JAPANESE AMERICAN RELIGIOUS FEDERATION ASSISTED LIVING FACILITY, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION ("JALFI"), FOR A TERM OF 69 YEARS WITH A 30 YEAR OPTION, TO OPERATE 54 UNITS OF ASSISTED LIVING, INCLUDING 37 PERMANENTLY AFFORDABLE UNITS, AT 1881 BUSH STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (g) Resolution No. 102-2006, Authorizing the Executive Director to cast assessment ballots in the affirmative on behalf of the Agency Commission as the owners of the Muni Substation parcel and the Ellis Street driveway parcel for a combined annual assessment of approximately \$10,752, for a total maximum amount of \$53,760 for five years, as part of the Fillmore Jazz District Community Benefit District; Western Addition Redevelopment Project Area A-2

Presenters: Denise Blades (Agency staff), Karin Eklund (MJM)

Commissioner Singh put forth a motion to adopt item 4 (g). Commissioner Romero seconded the motion.

Commissioner Covington asked if a simple majority was required during the 45-day voting period.

Mr. Marco LiMandri of New City America, stated the election was based on a weighted majority as dictated under the State Constitution, Proposition 218, and that they estimated between 60 and 70% of the weighted majority would actually return the ballots.

Commissioner Covington asked if there were requests for waivers other than from the First Union Baptist Church.

Ms. Karin Eklund of MJM Management Group stated they had not received an actual request for waiver, but that West Bay Conference Center had asked about the waiver process. Ms. Eklund stated that First Union Baptist Church had been removed from the proposed Community Benefit District.

Commissioner Covington asked how future requests for waivers would impact the ability to raise funds for the district.

Mr. LiMandri stated that everyone would pay into the district, and if there was a demonstration of a hardship, then the owner requesting a waiver would go to the management corporation's board of directors, who would consider the request from an application of a waiver, and it would be up to the management corporation to reimburse the property owner for any portion of the assessments that was waived.

Commissioner Covington requested verification that the request would not necessarily be for 100%.

Mr. LiMandri stated that the management corporation could decide to grant up to 100% or less, based upon the hardship conditions. Mr. LiMandri stated the management corporation would have to look at the overall budget and see how much the requests for waivers would impact the overall budget.

Commissioner Covington asked how many non-profit organizations were included in the district.

Mr. LiMandri stated there was only one that they were aware of, and that most of the other ecumenical property owners had been excluded from the proposed district.

Commissioner Covington stated she was not asking about the ecumenical property owners, but community-based non-profit organizations, because she recalled that was one of the concerns from both Commissioner Breed and herself, that the proposed district would not adversely impact the fiscal viability of non-profit organizations included in the district.

Mr. LiMandri stated there was only one community-based non-profit organization included in the district, and that it was not the intent of the district to adversely impact the non-profit organizations' fiscal viability.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 102-2006, AUTHORIZING THE EXECUTIVE DIRECTOR TO CAST ASSESSMENT BALLOTS IN THE AFFIRMATIVE ON BEHALF OF THE AGENCY COMMISSION AS THE OWNERS OF THE MUNI SUBSTATION PARCEL AND THE ELLIS STREET DRIVEWAY PARCEL FOR A COMBINED ANNUAL ASSESSMENT OF APPROXIMATELY \$10,752, FOR A TOTAL MAXIMUM AMOUNT OF \$53,760 FOR FIVE YEARS, AS PART OF THE FILLMORE JAZZ DISTRICT COMMUNITY BENEFIT DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED

- 4 (h)** Resolution No. 103-2006, Conditionally approving a schematic design and adopting environmental findings pursuant to the California Environmental Quality Act for the development of 131 units for low- and moderate-income first-time homebuyers at 330 Berry Street and 335 Berry Street (Block N4/Parcel 2 and Block N4a/Parcel 2) by BRIDGE Regional Partners, Inc., a California nonprofit public benefit corporation; Mission Bay North Redevelopment Project Area

Presenters: Jeff White, Thomas Ma (Agency staff), Richard Stacy (Architect)

Commissioner Covington stated she was delighted with the green building design, and asked if it was anticipated that the majority of the occupants would utilize the two automobiles under the City Car Share program, or would other people from the surrounding neighborhood expected to use the vehicles.

Mr. Jeff White, Development Specialist, stated the proposed development was not going to provide one-to-one parking for the 131 units, and there would only be 116 parking spaces, because of the transit-rich location and the green building strategy to promote and encourage the use of public transit. Mr. White stated the use of the automobiles under the City Car Share program could not be restricted to residents of a building, but it was expected that mostly the occupants would utilize the program.

Commissioner Covington stated she thought the project was wonderful and that some of the Commissioners' hesitations when the project was first presented had been overcome. Ms. Covington stated she knew that the color scheme was yet to be finalized, but that the current proposal had a nice warm palette and very pleasing to the eye, and that she understood that the landscape design for the parking garage would be forthcoming. Ms. Covington stated she really applauded the efforts and although there were still items outstanding, the proposed development was heading in the right direction. Ms. Covington put forth a motion to adopt item 4 (h).

Commissioner Singh stated he thought it was a good project and that BRIDGE had done other wonderful projects. Mr. Singh seconded Commissioner Covington's motion to adopt item 4 (h).

President Peterson asked who did the architectural models, which he thought were wonderful.

Mr. Richard Stacey, Project Architect, stated they used a firm that specialized in building architectural models.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 103-2006, CONDITIONALLY APPROVING A SCHEMATIC DESIGN AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE DEVELOPMENT OF 131 UNITS FOR LOW- AND MODERATE-INCOME FIRST-TIME HOMEBUYERS AT 330 BERRY STREET AND 335 BERRY STREET (BLOCK N4/PARCEL 2 AND BLOCK N4A/PARCEL 2) BY BRIDGE REGIONAL PARTNERS, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i) Resolution No. 104-2006, Approving a fiscal year 2006-2007 budget for the Bayview Hunters Point Project Area Committee in an amount not to exceed \$130,000 and authorizing a personal services contract with Business Development, Inc., a California corporation, to provide fiscal agent and administrative support services to the PAC for a one year period from August 15, 2006 to June 30, 2007 in an amount not to exceed \$130,000; Bayview Hunters Point Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff)

Speakers: Angelo P. King, Ollie Burgess, Dorris Vincent, Rev. Arnold Townsend

Commissioner Covington stated she was happy to see that things were moving forward in Bayview Hunters Point, but that she appreciated Mr. Angelo King's comments because understandably, the Project Area Committee (PAC) was working very hard on the adoption of the redevelopment plan, and that they did not have a lot of time to devote to the PAC budget because of the pressing matter of adopting the redevelopment plan. Ms. Covington stated that she thought it was appropriate for Agency staff to ask members of the PAC if the proposed budget was adequate to support the volume of work involved in implementing the redevelopment plan, because the Agency was the expert and the PAC members were the citizen volunteers. Ms. Covington stated that she thought that the PAC should meet about the budget and be very clear about its needs, and present that to staff to bring before the Commission for consideration. Ms. Covington stated it was very important to be successful with the Agency's efforts in the southeast sector of the City, and to not have adequate staff could result in unanticipated consequences that could cause more problems. Ms. Covington stated the Agency would like the work to be done and done very well, and it seemed that more monies would be needed, and that she would appreciate feedback from staff. Ms. Covington put forth a motion to adopt item 4 (i).

Commissioner King stated he was glad to see Business Development Inc. involved, and recalled his earlier efforts with Mr. Alex Pitcher and Mr. Calvin Hayes to allow the Redevelopment Agency to work in the Bayview. Mr. King stated he thought that the proposed budget for the PAC was weak and agreed with Commissioner Covington's statements. Mr. King asked if staff met with members of the PAC to discuss the budget.

Executive Director Rosen stated staff had discussions with the PAC and would continue to do so, but the Agency was somewhat impaired this year because there was no tax increment yet generated for the project area, and the Agency could not expend funds generated from other project areas to meet the needs of the Bayview Hunters Point project area because of statutory limitations. Ms. Rosen stated that, earlier in the Commission meeting, the Commission approved a loan from the City and County of San Francisco for implementation and planning activities for the Bayview Hunters Point project area, and that during the budget period, she did explore a larger loan amount from the City in order to meet the needs of the PAC, but the loan amount approved by the Board of Supervisors and Agency Commission was the amount that was negotiated. Ms. Rosen stated staff was cognizant that the PAC over the coming years, would be stepping up its activities and would need to expand its budget, and that she looked forward to working directly with the chair of the PAC, its budget committee and Agency staff to explore other ways to augment the resources available, and to plan adequately for the next fiscal year, when tax increment would be generated and available to meet the needs of the project area. Ms. Rosen stated staff would be working closely with the PAC to see what else could be done from other Agency resources for administrative needs like meeting rooms and mailing costs, and to do a thorough planning for a time when there would be dedicated resources for the project area that could be spent. Ms. Rosen stated the Agency had serious fiscal limitations this year, and thought that the PAC understood that, and they worked very hard during the plan adoption, but that she was cognizant of the Agency's overall budget restrictions until there was tax increment generated to meet the true needs of the project area.

Commissioner Covington stated she wanted assurance that the efforts described by the Executive Director would be made before the budget presentation for the next fiscal year was before the Commission.

Executive Director Rosen stated that staff was already working with the PAC on the budget issue, that Mr. Thor Kaslofsky and Mr. Stan Muraoka had been meeting with the PAC's Executive and Budget Committees to address the budget issue, that staff looked forward to working with the PAC's new administrator, and that she was glad to see Ms. Wanda Whittaker continue in that role. Ms. Rosen welcomed aboard Mr. Calvin Hayes, and stated the Agency would look to his vast experience in community outreach and looked forward to continuing the dialog.

Commissioner Romero seconded Commissioner Covington's motion to adopt item 4 (i), and wished the best to Business Development Inc.

President Peterson stated he thought the \$130,000 budget was a good start, and as the year progressed, he urged members of the PAC to keep the Commission informed of any additional needs they may have, and that as the Agency gets further through the budget year, perhaps there may be other resources that could be used for the PAC's work. Mr. Peterson stated he thought that arguably, Bayview Hunters Point was the Agency's most significant project area in terms of size, and that it was very important for the Agency to support the work of the PAC and to provide the resources necessary to do the important work on behalf of the community.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 104-2006, APPROVING A FISCAL YEAR 2006-2007 BUDGET FOR THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$130,000 AND AUTHORIZING A PERSONAL SERVICES CONTRACT WITH BUSINESS DEVELOPMENT, INC., A CALIFORNIA CORPORATION, TO PROVIDE FISCAL AGENT AND ADMINISTRATIVE SUPPORT SERVICES TO THE PAC FOR A ONE YEAR PERIOD FROM AUGUST 15, 2006 TO JUNE 30, 2007 IN AN AMOUNT NOT TO EXCEED \$130,000; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (j), (k) and (l) were presented together and acted upon separately.

- 4 (j)** Resolution No. 105-2006, Authorizing an Owner Participation Agreement with Jos Levin Realty Corporation of San Francisco, a California corporation, for the proposed development at 1618, 1620, and 1630 Jerrold Avenue, located between Third and Phelps Streets (Assessor's Block 5272, Lots 11, 14, and 15); Bayview Industrial Triangle Redevelopment Project Area
- 4 (k)** Resolution No. 106-2006, Conditionally approving the schematic design for the proposed development at 1618, 1620, and 1630 Jerrold Avenue, located between Third and Phelps Streets (Assessor's Block 5272, Lots 11, 14, and 15); Bayview Industrial Triangle Redevelopment Project Area
- 4 (l)** Resolution No. 107-2006, Approving the Replacement Housing Plan related to the proposed development at 1630 Jerrold Avenue located between Third and Phelps Streets (Assessor's Block 5272, Lots 14, and 15); Bayview Industrial Triangle Redevelopment Project Area

Presenters: Tiffany Bohee (Agency staff)

Speakers: Angelo P. King

Commissioner Covington stated she was glad to see the full support of the PAC for the project. Ms. Covington asked how the Agency would offset the loss of the one dwelling unit.

Ms. Tiffany Bohee, Development Specialist, stated the proposed Replacement Housing Plan provides that the Agency would replace the unit, which was a very low-income two-bedroom unit, with a comparable very low-income replacement housing unit within a redevelopment project area. Ms. Bohee stated there were affordable housing units in the pipeline for the Hunters Point Shipyard and South of Market project areas, and the Mid-Market survey area. Ms. Bohee stated that if the unit was replaced outside of a redevelopment project area, such as in a survey area, there would be a two-for-one replacement pursuant to the California Health and Safety Code, and the Agency had adequate means in its approved budget to do so. Ms. Bohee stated the Agency would have four years to replace the unit after demolition.

Commissioner Covington asked how the Agency would track the particular replacement housing unit since the Agency was building so many affordable housing units.

Ms. Bohee stated that the Agency's Housing Division would designate a unit in an upcoming affordable housing development.

Commissioner Covington asked if there was an upcoming affordable housing development with 98 units, as an example, would the Agency increase the number of units by one and designate the 99th unit as the replacement unit for the Jerrold Avenue unit.

Ms. Bohee stated that if a particular development had 100 units, some of which were two-bedroom units, the replacement unit would be designated within the envelop of that particular affordable housing development, and the Agency's asset management staff would monitor to ensure that the unit was so designated.

Commissioner Covington put forth a motion to adopt item 4 (j).

Commissioner Romero seconded Commissioner Covington's motion to adopt item 4 (j), and thanked the owner and developer for their cooperation with the Agency.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 105-2006, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH JOS LEVIN REALTY CORPORATION OF SAN FRANCISCO, A CALIFORNIA CORPORATION, FOR THE PROPOSED DEVELOPMENT AT 1618, 1620, AND 1630 JERROLD AVENUE, LOCATED BETWEEN THIRD AND PHELPS STREETS (ASSESSOR'S BLOCK 5272, LOTS 11, 14, AND 15); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 106-2006, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE PROPOSED DEVELOPMENT AT 1618, 1620, AND 1630 JERROLD AVENUE, LOCATED BETWEEN THIRD AND PHELPS STREETS (ASSESSOR'S BLOCK 5272, LOTS 11, 14, AND 15); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (l) RESOLUTION NO. 107-2006, APPROVING THE REPLACEMENT HOUSING PLAN RELATED TO THE PROPOSED DEVELOPMENT AT 1630 JERROLD AVENUE LOCATED BETWEEN THIRD AND PHELPS STREETS (ASSESSOR'S BLOCK 5272, LOTS 14, AND 15); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (m) and (n) were presented together and acted upon separately.

- 4 (m)** Resolution No. 108-2006, Authorizing exclusive negotiations with Habitat for Humanity San Francisco, a California nonprofit public benefit corporation, and Em Johnson Interest, Inc., a California corporation, for the disposition of Agency Parcel EE-2, located at Whitney Young Circle and Hudson Avenue to develop affordable housing for first time homebuyers; Hunters Point Redevelopment Project Area
- 4 (n)** Resolution No. 109-2006, Authorizing a Tax increment Predevelopment Loan Agreement in an amount not to exceed \$439,640 to Em Johnson Interest, Inc., a California corporation, in conjunction with the development of affordable housing for first time homebuyers on Parcel EE-2 located at Whitney Circle and Hudson Avenue; Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

Presenters: Vanessa Dandridge (Agency staff)

Speakers: Angelo P. King

Commissioner Covington stated she supported the item and put forth a motion to adopt item 4 (m). Commissioner King seconded the motion.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 108-2006, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH HABITAT FOR HUMANITY SAN FRANCISCO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND EM JOHNSON INTEREST, INC., A CALIFORNIA CORPORATION, FOR THE DISPOSITION OF AGENCY PARCEL EE-2, LOCATED AT WHITNEY YOUNG CIRCLE AND HUDSON AVENUE TO DEVELOP AFFORDABLE HOUSING FOR FIRST TIME HOMEBUYERS; HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 4 (n) RESOLUTION NO. 109-2006, AUTHORIZING A TAX INCREMENT PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$439,640 TO EM JOHNSON INTEREST, INC., A CALIFORNIA CORPORATION, IN CONJUNCTION WITH THE DEVELOPMENT OF AFFORDABLE HOUSING FOR FIRST TIME HOMEBUYERS ON PARCEL EE-2 LOCATED AT WHITNEY CIRCLE AND HUDSON AVENUE; HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA

Commission Secretary Erwin Tanjuaquio announced that there was an item that staff wished to add to the August 1st Agenda and recited the following:

Section 54954.2 (b) (2) of the Ralph M. Brown Act states that the Agency Commission may take action on items of business not appearing on the posted agenda under the following condition: Upon a determination by a two-thirds vote of the total members of the Agency Commission (in this case, all five Commissioners in attendance), that there is a need to take immediate action and that the need for action came to the attention of the Agency subsequent to the agenda being posted.

Executive Director Rosen stated this was an unusual situation, and as the Commission knew, the Gene Suttle Plaza was the desired location for the Fillmore Friday events and barbeque this year. Ms. Rosen stated because the use of the plaza was governed by an agreement that the Agency had to negotiate with Mr. Szeto, staff was not able to reach agreement by the time the August 1st agenda was finalized and posted. Ms. Rosen stated Deputy General Counsel Andrico Penick was able to negotiate a satisfactory solution just the day before (July 31st). Ms. Rosen stated under the Brown Act, the Commission was permitted to take action because the matter was not foreseeable at the time the agenda was posted, further, because the first two Fillmore Fridays would occur before the next Commission meeting on August 15th, there was a need for immediate action by the Commission at today's meeting. Ms. Rosen stated staff was recommending that the Commission take action on the matter, and as the Commission Secretary reported, the Commission first, must vote with a unanimous vote, to consider adding the item to the agenda, and the Commission having considered adding the item, staff would do a presentation, and staff had provided the Commission with a memorandum and a resolution for consideration.

President Peterson stated he would entertain a motion to consider adding to the August 1st Agenda, the proposed Letter Agreement between the Agency, Safeway, WCPI and WCPII for the use of the Gene Suttle Plaza.

Commissioner Covington put forth a motion to consider adding the item to the August 1st agenda. Commissioner Romero seconded the motion.

MOTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT THE PROPOSED LETTER AGREEMENT BETWEEN THE AGENCY, SAFEWAY, WCPI AND WCPII FOR THE USE OF THE GENE SUTTLE PLAZA, BE ADDED TO THE AUGUST 1, 2006 COMMISSION MEETING AGENDA.

- 5 (a)** Resolution No. 110-2006, Authorizing a Letter Agreement between the Redevelopment Agency of the City and County of San Francisco, Safeway Inc., WCP I and WCP II to temporarily modify use restrictions on Gene Suttle Plaza to allow FillmoreLive events from August to October 2006; Western Addition Redevelopment Project Area A-2

Presenters: Alicia Bert (Agency staff)

Speakers: Rev. Arnold Townsend

Commissioner Covington asked what the attendant costs would be for the proposed Letter Agreement, because she did not see an increase in the budget.

Ms. Alicia Bert, Development Specialist, stated the pre-event walk-through would be conducted by designated Agency staff, representatives from Safeway and WCP#1, so there would not be any additional costs. Ms. Bert stated the provisions contained in the Letter Agreement for trash removal, security and additional parking monitors had already been built into the budget for the Fillmore Friday events.

Commissioner Covington asked how many security personnel would be on hand at the events, because the Letter Agreement provided for a minimum number.

Ms. Bert stated the Letter Agreement included a provision that if an event exceeded a certain size, additional security officers would be provided based upon advice from the Northern Police Station.

Commissioner Covington stated in order for the Agency to be good shepherds of the events, she would encourage providing two security officers on hand as a bare minimum, because it was essential for the large property and was warranted. Ms. Covington stated she noted that one of the conditions for the use of the plaza was to include language in event promotional materials notifying attendees that event parking is prohibited in Safeway's parking lot, but that the promotional materials had already been distributed.

Ms. Bert stated in order to remedy that, staff would ensure there were conspicuous postings throughout the event informing attendees not to park on the Safeway parking lot, and there would also be announcements from the stage.

Commissioner Covington asked if there would be postings for people to see as they enter the Safeway parking lot entrances.

Ms. Bert stated there would be signs at the Safeway parking lot entrances and throughout the plaza.

Commissioner Covington asked if the Agency was using outside press to get the word out about the events, and if there were media sponsors.

Ms. Bert stated she knew that the events had been widely disseminated by the event contractor, United Projects, which had an extensive mailing list and had done extensive outreach through its association with the music industry. Ms. Bert stated that radio stations KKSF and KPOO were broadcasting the events, and the musicians and performers were also promoting the Fillmore Friday events.

Commissioner Covington suggested that the radio announcements include information about the parking and to encourage car-pooling and public transit, and to the extent that the Agency's relationship with KPOO allowed such public service announcements, she would encourage doing so. Ms. Covington put forth a motion to adopt item 5 (a).

Commissioner Romero seconded Commissioner Covington's motion to adopt item 5 (a). Mr. Romero asked how many years the Fillmore Friday events had been held.

Executive Director Rosen stated the events were held two years in a row, in 2003 and 2004, and there were no events in 2005, with the 2006 events as the third year.

Commissioner Romero stated he was curious, because the Agency did not have the situation of last-minute negotiations for the use of the plaza in the previous years, and asked who the Agency was negotiating with for the use of the plaza, and what the hesitancy was.

Ms. Bert stated the Agency was negotiating with the property owner, Mr. Szeto of WCPI, and his concern was due to an incident at a past event where an electric plate was left on top of a box, which was quickly found and resolved by the Agency as soon as Mr. Szeto notified the Agency. Ms. Bert stated that Mr. Szeto wanted a higher level of protection.

Commissioner Romero stated it did not sound like much to him, and asked if that was the extent of Mr. Szeto's hesitancy.

Executive Director Rosen stated staff had to negotiate the terms of the Agency's indemnity, and there was a broad request by Mr. Szeto, which would have a potential liability for the Agency for events the Agency had nothing to do with.

Commissioner Romero asked if the concern was based upon a specific experience or incident.

Ms. Bert stated the only concern was the incident she cited earlier.

Executive Director stated staff was very happy that the matter was resolved to everyone's satisfaction and that Rev. Townsend was to be thanked for whatever part he may have played in that.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. YEE ABSENT) THAT ITEM 5 (a) RESOLUTION NO. 110-2006, AUTHORIZING A LETTER AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, SAFEWAY INC., WCP I AND WCP II TO TEMPORARILY MODIFY USE RESTRICTIONS ON GENE SUTTLE PLAZA TO ALLOW FILLMORELIVE EVENTS FROM AUGUST TO OCTOBER 2006; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Al Norman, Angelo P. King

7. REPORT OF THE PRESIDENT None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated she wanted assure Mr. Norman and Mr. King that she was very engaged in the Hunters Point Shipyard transaction, and in fact, spoke to Mr. Kofi Bonner shortly before the Commission meeting, as well as met with both Mr. Bonner and Mr. Michael Cohen of the Mayor's Office last Friday. Ms. Rosen stated she would welcome the opportunity come to the Hunters Point Shipyard CAC meeting at its invitation and looked forward to doing so, and requested Mr. Norman to convey her sentiments to other members of the CAC. Ms. Rosen stated as Mr. Angelo King reminded the Agency, there would be more opportunities to have joint meetings of the Bayview Hunters Point Project Area Committee (PAC) and the Hunters Point Shipyard CAC, with the recent adoption of the Bayview Hunters Point Redevelopment Plan and the community benefits planning for the Shipyard, and the Agency looked forward to that. Ms. Rosen stated staff was very close to bringing matters for consideration to the Commission, and the Agency was waiting for information from Lennar regarding its true cost of the horizontal development and pro-forma for the housing development, and this information was necessary for staff to do adequate projections and analysis that would be presented to the Commission on Lennar's proposal. Ms. Rosen stated she thought the Commission had seen a letter she wrote to Mr. Bonner previously stating the staff's support for the concept of both adding additional housing units to Parcel A, and for looking at the tenure split to transfer some of the housing from rental to market-rate condominiums with inclusionary

affordable units. Ms. Rosen stated although she had not been at the CAC meetings, she had been continually engaged with Lennar while leading the Agency staff team, and meeting with the Mayor's Office, and that she did not believe that the Agency was at a point where the Agency was at risk of losing the development. Ms. Rosen stated to the contrary, she thought the Agency was at a point of insuring the goals of the Disposition and Development Agreement (DDA) that the community embraced and the Commission supported, could be fulfilled with the new economic challenges that the project was facing, and that she felt confident that a resolution would be reached. Ms. Rosen shared that earlier in the day, Mr. Bonner assured her that he would be pressing his staff to complete the missing information and to provide it to the Agency, so that it could engage the CAC in the appropriate review. Ms. Rosen stated she was hopeful that could be accomplished in the next few weeks or sometime in September. Ms. Rosen urged Mr. Norman and Mr. King to call her if they had other concerns.

President Peterson stated on behalf of the Commission, he would be happy to lend his support and personally participate in attending CAC meetings, and that Mr. Angelo King knew how to get in touch with him.

- Executive Director Rosen reported that the Museum of the African Diaspora won an American Institute of Architects (AIA) design award, with Mr. Phil Freelon heading the architectural design team.
- Fillmore Friday events, beginning on Friday August 4th from 5:00 to 7:30 p.m., at the Gene Suttle plaza, and weekly thereafter through September 15th.
- Commissioner Yee called about an inquiry from the Ministry of Construction of China who was visiting the Bay Area – Agency staff would be hosting 25 delegates at the Agency offices and touring them at some of the Agency's project areas, on Monday August 7th. Ms. Rosen stated that Commissioners would be welcomed to attend.
- Executive Director Rosen stated she wanted to alert the Commission that the first Commission meeting in September would be the Tuesday after the Labor Day holiday, September 5th, and looking at the Agency's forward planning calendar, there were no items currently listed for September 5th, and in the past, the Commission had frequently cancelled the meeting around the Labor Day weekend. Ms. Rosen stated at the present time, she did not foresee a need for a meeting, but there would be more information at the August 15th Commission meeting.

Commissioner Singh stated he thought the September 5th Commission meeting should be cancelled.

President Peterson asked if Commissioners would be opposed to canceling the September 5th meeting if there were no items that needed Commission consideration.

Commissioner Covington stated that her concern was that the agenda would be twice as long because a meeting was cancelled, and the enormous amount of reading necessary to be fully informed of various items. Ms. Covington stated she would prefer not to cancel a meeting just to have a lot of lengthy agenda items at the next Commission meeting.

Executive Director Rosen stated the Commission could wait one week to decide, but that she had reviewed the September 19th meeting, which was a reasonable length, as did the August 15th calendar.

Commissioner Covington stated she would like to wait one week to decide to cancel the September 5th meeting, for items that may come up.

Executive Director Rosen stated she would be discussing the schedule with the Agenda-setting committee.

Commissioner Romero stated he was not opposed to canceling the September 5th meeting, but that he did not see any items listed for that meeting date.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Romero stated he wanted to thank the Executive Director for the informational memorandum about the costs of re-issuance of the Central Freeway Parcel G Request for Proposals (RFP). Mr. Romero stated he thought that sometimes Commissioners lost sight of the fact that sometimes, the Commission's actions had a monetary cost, and that he thought that Commissioners should think about that. Mr. Romero stated he recalled it was represented to the Commission that the issuance, review and consideration of the RFP was all consistent with Agency procedures, and staff followed the rules, and then there was a little bit of a mix-up about the CAC review, but even with that, no one said that something untoward or unfair happened, and that some people were upset that there was not a vote by the CAC. Mr. Romero stated the re-issuance of the RFP had cost the Agency almost \$30,000, not to mention the developers' costs of over \$100,000, maybe near \$200,000, and most of the non-profit developers did not have deep pockets with

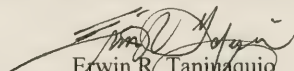
endless resources. Mr. Romero stated the Commissioners, staff, community organizations, PACs, CACs, should be very careful about when making decisions that may result in unnecessary costs to the public. Mr. Romero stated the City faced challenging economic times, and that he wanted people to be aware of costs to the Agency. Mr. Romero stated there were always people coming to the Commission meetings who complained about how slow the Agency did things, but when the Agency had to reissue an RFP at a cost of \$30,000, plus the 6-month delay and increases in the cost of construction, that was a significant cost to the City.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Mr. Singh, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:43 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

August 15, 2006

4a

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
15TH DAY OF AUGUST 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of August 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:04 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but are related to general Agency business would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond, on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Darshan Singh
Benny Y. Yee

And the following were absent:

Ramon E. Romero

Marcia Rosen, Executive Director and staff members were also present.

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2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of August 1, 2006

4 (b) Resolution No. 111-2006, Authorizing a Second Amendment to the Alexander Residence ground lease with AR Preservation, L.P., a California limited partnership, to revise the permitted uses of income from operations for the rehabilitation of 179 units of very low income rental housing units at the Alexander Residence, 230 Eddy Street, as part of the Agency's Affordable Housing Preservation Program; Citywide Tax Increment Housing Program

4 (c) Resolution No. 112-2006, Authorizing a Third Amendment to the Antonia Manor ground lease with AM Preservation, L.P., a California limited partnership, to revise the permitted uses of income from operations for the rehabilitation of 133 units of very low income rental housing units at Antonia Manor, 180 Turk Street, as part of the Agency's Affordable Housing Preservation Program; Citywide Tax Increment Housing Program

4 (d) Resolution No. 113-2006, Authorizing a Second Amendment to the Maria Manor ground lease with MM Preservation, L.P., a California limited partnership, to revise the permitted uses of income from operations for the rehabilitation of 119 units of very low income rental housing units at Maria Manor, 174 Ellis Street, as part of the Agency's Affordable Housing Preservation Program; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT), THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF AUGUST 1, 2006, 4 (b) RESOLUTION NO. 111-2006, AUTHORIZING A SECOND AMENDMENT TO THE ALEXANDER RESIDENCE GROUND LEASE WITH AR PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE PERMITTED USES OF INCOME FROM OPERATIONS FOR THE REHABILITATION OF 179 UNITS OF VERY LOW INCOME RENTAL HOUSING UNITS AT THE ALEXANDER RESIDENCE, 230 EDDY STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING

PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, 4 (c) RESOLUTION NO. 112-2006, AUTHORIZING A THIRD AMENDMENT TO THE ANTONIA MANOR GROUND LEASE WITH AM PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE PERMITTED USES OF INCOME FROM OPERATIONS FOR THE REHABILITATION OF 133 UNITS OF VERY LOW INCOME RENTAL HOUSING UNITS AT ANTONIA MANOR, 180 TURK STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, AND 4 (d) RESOLUTION NO. 113-2006, AUTHORIZING A SECOND AMENDMENT TO THE MARIA MANOR GROUND LEASE WITH MM PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE PERMITTED USES OF INCOME FROM OPERATIONS FOR THE REHABILITATION OF 119 UNITS OF VERY LOW INCOME RENTAL HOUSING UNITS AT MARIA MANOR, 174 ELLIS STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

- 4 (e) Resolution No. 114-2006, Authorizing a settlement agreement and release of claims in the lawsuit entitled Chong Duk Kim, et al. v. San Francisco Unified School District, et al., San Francisco Superior Court, Case No. CGC 04 435397

Presenters: Andrico Penick (Agency staff)

Commissioner Breed put forth a motion to adopt item 4 (e). Commissioner Singh seconded the motion.

Commissioner Covington requested clarification that the plaintiffs were willing to drop the Agency from the lawsuit if the Agency was to absorb the legal costs.

Mr. Andrico Penick, Deputy General Counsel, stated that was correct. The Agency brought a motion for summary judgment, which the court granted, and therefore, the Agency won the case. Mr. Penick stated although the plaintiffs had a right to an appeal, that was not to say that they would win the appeal. However, in order to avoid the additional costs of litigation, even to defend a meritless appeal, the plaintiffs were willing to offer dropping the Agency from the lawsuit in exchange for the Agency's waiver of any attorneys' fees that may be brought in a second motion or lawsuit.

Commissioner Covington asked if there was any reason why the Agency would not want to recoup its costs in a second lawsuit.

Mr. Penick stated he was very doubtful that the court would actually grant the Agency an award of fees from the plaintiffs, and even if the court were to do so, he was extremely doubtful that the plaintiffs would have the resources to pay.

Commissioner Covington asked how the Agency would, in the future, mitigate similar circumstances.

Mr. Penick stated unfortunately, there was not a way to mitigate similar circumstances, because attorneys' fees were typically granted either by statute or by contract, and the Agency did not have a contract with the individual plaintiffs, which were employees of a subcontractor on an Agency project. Mr. Penick stated these were employees on the job that were owed money by their employer, and they chose to sue the Agency and everyone involved in the project. Mr. Penick stated other than seeking indemnification from the Agency's developer, which would put the Agency project at risk, there really was not a deep pocket to recoup those costs from.

Commissioner Yee requested verification that the Agency's legal costs were about \$19,000, that such costs were not recoverable and that the Agency won the case. Mr. Yee asked if the Agency could ask for reimbursement of its legal costs conditioned upon the project moving forward.

Mr. Penick affirmed that the Agency's legal costs were \$19,000, that such costs were not recoverable from the plaintiffs and that the Agency did win the case. Mr. Penick stated the Agency could bring a motion for costs to the court, but the court would ask the Agency for the legal basis for recouping the costs from the plaintiffs, and as he explained earlier, typically, the Agency would have to point to a statute that would entitle the Agency to attorneys' fees and costs or there would have to be a contract where the parties had agreed in advance that the prevailing party would pay attorneys' fees and costs. Mr. Penick stated the Agency had neither in this case.

Commissioner Yee asked if Mr. Penick thought it was acceptable for the Agency to lose \$19,000.

Mr. Penick stated he thought that \$19,000 was the cost of doing business for the Agency, and the Agency won the case and it did not have to pay the thousands of dollars that the plaintiff was claiming against the Agency.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSTAINED AND MR. ROMERO ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 114-2006, AUTHORIZING A SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS IN THE LAWSUIT ENTITLED CHONG DUK KIM, ET AL. V. SAN FRANCISCO UNIFIED SCHOOL DISTRICT, ET AL., SAN FRANCISCO SUPERIOR COURT, CASE NO. CGC 04 435397, BE ADOPTED.

- 4 (f) Public hearing on the Draft Environmental Impact Report for the proposed commercial project located in Japantown at 1746 Post Street, Assessor's Block 0685, Lot 12, between Webster and Laguna Streets; Western Addition Redevelopment Project Area A-2

Presenters: Denise Blades (Agency staff)

Presenters: Paul Osaki, Caryl Ito

Commissioner Breed stated she assumed that the Final Environmental Impact Report (EIR) would be certified by the Agency Commission in the near future. Ms. Breed asked if the illustrations presented were the final drawings or conceptual design.

Ms. Denise Blades, Development Specialist, stated the illustrations showed the general massing of the proposed building and that the façade was still being designed.

Commissioner Breed stated she would like the final design to take into consideration the cultural flavor of Japantown.

Commissioner Yee stated he like the design so far and understood that the design might be further modified. Mr. Yee stated that the 45-day public review period was scheduled to end on September 11th, and so far, there were no written comment on the Draft EIR, and that he would urge Agency staff to do all it could to expedite the process. Mr. Yee stated he did not anticipate that there would be too many comments on the proposed project, because the project had been undertaken by the leadership of the Japantown community. Mr. Yee stated the Commission appreciated members of the Japantown community coming to the meeting and testifying before the Commission. Mr. Yee stated he looked forward to the opening of the project and asked how many years it would take to complete construction.

Ms. Blades stated the construction would take between 18 months and two years to complete once construction started.

- 4 (g) Resolution No. 115-2006, Authorizing a Second Amendment to the Tax Increment Loan Agreement with Mission Housing Development Corporation, a California nonprofit public benefit corporation, the John Stewart Company, a California corporation, and Devine & Gong, Incorporated, a California corporation, in an amount not to exceed \$750,968 for a total aggregate amount not to exceed \$1,869,312, and to modify other provisions, for the development of 100 units of low- and very low-income senior rental housing at the Mary Helen Rogers Senior Community located on Central Freeway Parcel C, Lot 13 in Assessor's Block 768, in the Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenters: Tiffany Bohee (Agency staff)

Commissioner Breed stated that as President Peterson and other Commissioners had previously mentioned, she would reiterate that she would like to see more color and vibrancy on the façade of the building, because the current design looked boxy and suggested more articulation and character, because of who the building stood for. Ms. Breed asked staff and the architects to look into further refining the building's design. Ms. Breed put forth a motion to adopt item 4 (g).

Commissioner Covington seconded Commissioner Breed's motion.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 115-2006, AUTHORIZING A SECOND AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH MISSION HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, THE JOHN STEWART COMPANY, A CALIFORNIA CORPORATION, AND DEVINE & GONG, INCORPORATED, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$750,968 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,869,312, AND TO MODIFY OTHER PROVISIONS, FOR THE DEVELOPMENT OF 100 UNITS OF LOW- AND VERY LOW-INCOME SENIOR RENTAL HOUSING AT THE MARY HELEN ROGERS SENIOR COMMUNITY LOCATED ON CENTRAL FREEWAY PARCEL C, LOT 13 IN ASSESSOR'S BLOCK 768, IN THE WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (h)** Resolution No. 116-2006, Authorizing a Third Amendment to the Disposition and Development Agreement with Fillmore Development Associates, LLC, a California limited liability company, to contribute an additional \$900,000, including \$572,500 in predevelopment loan funds and \$327,500 in predevelopment loan repayments, to cover the Agency's portion of the increased construction costs associated with the public parking garage on Agency Parcel 732-A, and to modify other terms; Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff)

Speakers: Rev. Arnold Townsend, Michael Johnson, Ace Washington

Commissioner Breed asked if staff had the number of local residents that had been hired for the project since its inception.

Mr. Ricky Tijani, Senior Development Specialist, stated he did not readily have the numbers, but could provide it to the Commission.

Commissioner Breed stated she would like the information provided to the Commission, including the racial make-up of the workers as well as the specific jobs that community members had been hired for.

Ms. Juanita Johnston, Contract Compliance Specialist I, stated she had just provided the workforce percentages for the project to Ms. Joanne Sakai, Deputy Executive Director, and that although the minority participation was not 100%, the figures were getting better. Ms. Johnston stated she believed that the local resident hiring was about 8% with some contractors, but as Rev. Arnold Townsend stated earlier, the Agency's hands were tied with the labor unions' collective bargaining agreements, which meant that the labor unions were dispatching from the top of the waiting list. Ms. Johnston stated staff was working closely with Ella Hill Hutch Community Center, and sometimes, they would request the contractor for a local resident to be hired, and although the local resident hiring percentages were not what they should be, the numbers were getting better as contractors come on board. Ms. Johnston stated staff could provide the workforce report for the project to the Commission.

Commissioner Breed stated she would like to see the report. Ms. Breed stated she was glad to see the steady progress of the project, and that she was excited and looked forward to the opening, and that she was happy with everything, except for the local hiring. Ms. Breed stated she understood that there were issues with the collective bargaining agreements with the labor unions, but would urge that the Agency work closely with the labor unions to train local Western Addition residents not only for the Fillmore Heritage project, but also other development projects in San Francisco. Ms. Breed stated she would like to see the Agency make a concerted effort to promote hiring of local Western Addition residents, and put forth a motion to adopt item 4 (h).

Commissioner Covington asked if the parking garage, once it was conveyed to the Agency, would be conveyed to another entity.

Mr. Tijani stated that most likely, the parking garage would be transferred to the City's Department of Parking and Traffic to manage on behalf of the Agency.

Commissioner Covington stated that for eight years, she served on the board of the Japantown parking garages, and that she was very familiar with the model of inclusion of everyone, including business owners and heads of nonprofit organizations serving on the board. Ms. Covington stated she would like the Agency, as much as possible, to follow the Japantown parking garage model, which had worked very well over many years, and that she would like the Agency to think about the timing of the conveyance to the Department of Parking and Traffic, so that there would not be too much of a lag time on the transfer. Ms. Covington seconded Commissioner Breed's motion to adopt item 4 (h).

Commissioner Yee stated he had always been enthusiastic about the Fillmore Heritage project, and jested that he would not be voting for the project because the developer, Mr. Michael Johnson, did not mention him and three other Commissioners' names when he addressed the Commission. Mr. Yee stated he thought the Fillmore Heritage project was an outstanding project that enjoyed the Commission's full support. Mr. Yee stated that with the anticipated completion date of April 2007, asked what the impact would be on project costs if the construction was delayed by three or four months.

Mr. Tijani stated the project had built-in contingencies for such eventualities, and the housing and commercial component for example, which was being funded by multiple lenders in addition to the Agency, the lenders required project contingencies to anticipate delays on the completion of the project, and further, if there was a major delay on the project, there was insurance to cover such delay.

Commissioner Yee asked how accurate the total project cost of \$57.2 million was.

Mr. Tijani stated that Attachment 1 to the Commission memorandum detailed the overall project development costs, and the \$57.2 million figure was the amount that the developer was responsible for, which was the shell and core of the structure, and did not include the cost for Yoshi's at \$7.4 million, and the \$2.5 cost for Food for Soul, that would give a total project cost of \$68 million.

Commissioner Singh stated that he was also at the topping-off celebration with Commissioner King, and that Mr. Michael Johnson was doing an excellent job on the project. Mr. Singh stated he was also happy to hear, for the first time, that Mr. Ace Washington was in support of the project.

Commissioner King stated he wanted to inform the other Commissioners that there were certain citywide labor provisions that the Agency had to observe, in order not to break the collective bargaining agreements with the labor unions. Mr. King stated he wanted to point out that almost 80% of the project's funding was from the Electrician's Union, and that he thought as far as local hiring, the developer had done a pretty good job. Mr. King stated he recently saw the project where the old Food Land grocery was, and he did not see any African-Americans working on the construction. Mr. King stated the Agency Commission had to abide by the labor unions' collective bargaining agreements.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 116-2006, AUTHORIZING A THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO CONTRIBUTE AN ADDITIONAL \$900,000, INCLUDING \$572,500 IN PREDEVELOPMENT LOAN FUNDS AND \$327,500 IN PREDEVELOPMENT LOAN REPAYMENTS, TO COVER THE AGENCY'S PORTION OF THE INCREASED CONSTRUCTION COSTS ASSOCIATED WITH THE PUBLIC PARKING GARAGE ON AGENCY PARCEL 732-A, AND TO MODIFY OTHER TERMS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- President Peterson announced that there would not be a Commission meeting on Tuesday September 5th, the day after Labor Day, and the next regular Commission meeting would be held on Tuesday September 19th.

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen reported the following:

- The Board of Supervisors unanimously voted in favor of establishing the Fillmore Jazz District Community Benefits District. Ms. Rosen stated that 88.37% of the property owners in the district voted in favor of the district, with 11.66% opposed. 278 of the 303 parcels within the district voted, which represented 92% participation, the highest participation in the City, in the establishment of the districts. Ms. Rosen stated that representatives of the consultant team were in attendance, if Commissioners wanted further details.
- Fillmore Fridays were continuing, every Friday from 5:00 to 7:00 p.m., at the Gene Suttle Plaza, and Good Intentions was the group scheduled to perform on Friday August 18th.
- The Board of Supervisors approved the Agency's ground lease to Kokoro (1881 Bush Street), and the legislation was sponsored by Supervisor Mirkarimi. Ms. Rosen stated it was good to see Kokoro was on its way to long-term sustainability.
- Yerba Buena Gardens was to receive a San Francisco Beautiful award in September.
- The Agency's Hunters Point Shipyard project won the 2006 Base Redevelopment Community of the Year award by the National Association of Defense Communities.
- Mayor Newsom's announcement of a possible "Green Power" for the Bayview Hunters Point community, and the Commission would be kept informed.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated he was absent at the August 1st Commission meeting because he attended a State Commission meeting and spent time with his grandchildren in Disneyland. Mr. Yee stated he deeply appreciated Agency staff who entertained a group of 25 prominent leaders from the People's Republic of China, which was headed by the Director General of the Ministry of Construction of China. Mr. Yee stated the Director General called him to thank Agency staff for its hospitality in serving the delegates continental breakfast, as well as an excellent tour and briefing of Agency projects. Mr. Yee stated he deeply appreciated the Executive Director's efforts in accommodating the

delegates. Mr. Yee stated he had also arranged, through the Mayor's Office, to tour the delegates at the De Young Museum, and all of the delegates were very happy with their trip to San Francisco, and offered the same hospitality to Agency staff who might be visiting China in the future. Mr. Yee stated he wanted to acknowledge Ms. Rosen's leadership and staff's participation.

- Commissioner Breed stated she wanted to be part of the record, that as a resident of the Western Addition, she received a lot of calls and questions about matters affecting the Western Addition community. Ms. Breed stated she wanted to share the concerns raised by members of the community for the benefit of all the Commissioners. Ms. Breed stated that one of the most frustrating issues that she wanted to share with her fellow Commissioners, was that out of all the Agency's project managers, only the project manager for the Western Addition Project Area did not have an assistant project manager, and that she wanted some clarification as to why that was. Ms. Breed stated the matter had a lot to do with her concerns about the exit plan for the Western Addition and her desire to have workshops before the Commission in a timely manner before the expiration of the redevelopment plan.

Executive Director Rosen stated the Agency was managing its overall work with a streamlined staff due to fiscal constraints. Ms. Rosen stated the other project managers (with exception of the Hunters Point Shipyard Project Area, which was such a large undertaking only at its inception), had at least two project areas they were responsible for, and the several assistant project managers assisted in all of the project areas. Ms. Rosen stated that a lot of the work in the Western Addition A-2 Project Area was private work because most of the public development work, except for Parcel 732-A and the MUNI substation parcel, had been completed. Staff work on private development was primarily done by the Agency's Development Services Division. Ms. Rosen stated the amount of staff time devoted to the Western Addition was much larger than the assigned positions, because every staff member working on the Western Addition billed that time to Project Area, and that time was accounted for. More staff time was actually spent on Western Addition than any other project area.

- Commissioner Breed asked what could be done to make sure that the Western Addition A-2 Project Area had an assistant project manager, and how soon could workshops be scheduled to inform the community about the plans when the redevelopment plan expired. Ms. Breed stated she and Commissioner Covington had previously requested that workshops be scheduled, and that she was growing a bit impatient because of the pressures she was getting from the community, to make sure that there was a continual flow of information to the public, which would help alleviate a lot of the problems the Agency faced with the

Western Addition. Ms. Breed stated she understood that staff had a lot of demands on their time and that work in the Western Addition took considerable amounts of time, but that she thought a lot of people were really concerned that when the Agency left the Western Addition, there would be something left for the community to be proud of that was provided some sustainability for the community. Ms. Breed stated that right now, people were scrambling to get the last bit of work done, and even though there was a lot of work being done and a lot of time and effort was being brought to bear, there was still so much to do in the community before the Agency left the Western Addition. Ms. Breed stated she wanted to make sure that as a native of the Western Addition, she was doing everything she could to make sure that the appropriate level of staffing was assigned to the project area as other project areas, and to ensure that all of the information was being provided to the community with respect to the exit strategy, and that the Agency was clear with communicating that the redevelopment plan could not be further extended. Ms. Breed stated she wanted to clear up a lot of miscommunications because some people thought that the redevelopment plan could be extended, and it was important that the community was consistently and continually informed of these matters.

Executive Director Rosen stated she wanted to assure Commissioner Breed and the rest of the Commission that she was cognizant of the Commission's and the public's interest in the Western Addition, and the Agency staff was trying to do a very thorough job, which meant going through the archives for the last 42 years, and staff was diligently working at that. Ms. Rosen stated as soon as Commissioners raised the issue about the exit strategy for Western Addition, she called Rev. Arnold Townsend to request that those matters be calendared on the Citizens' Advisory Committee (CAC) agenda, and in discussions with Ms. Gaynell Armstrong, Western Addition Project Manager, the CAC subcommittees had been looking at certain aspects of the exit strategy. Ms. Rosen stated she was going to meet with staff later in the week and would provide the Commission with a report on the time table as to when the CAC could put the matters on its forward planning calendar.

- Commissioner Breed stated there had been discussions previously about creating some documentation regarding an inventory of what had been done in the entire Western Addition Project Area, where the current work was at the present time, and a schedule of other projects through the expiration of the redevelopment plan. Ms. Breed stated she thought there ought to be a document prepared to inform and provide an opportunity for the community to review written information and provide feedback to the Agency on the exit plan, and that the document would communicate everything the Agency needed to communicate. Ms. Breed stated workshops could be useful, but they would not be all that informative if prior information was not provided prior to the

workshops. Ms. Breed stated that what she would like to see happen was that the project manager for the Western Addition have a dedicated and committed staff person like everyone else. Ms. Breed stated that matter had not come from Agency staff, but the community who had been complaining about the lack of support staff for the project manager. Ms. Breed stated the other matter that had come up in a meeting she attended the day before, was the breakdown of Agency employees by racial makeup, because there had been issues raised about African-Americans on the Agency staff. Ms. Breed stated she would appreciate the information in order to provide the information to members of the public. Ms. Breed stated one of the complaints she heard from the community, was that when members of the public who applied to the Agency's competitive bidding process and subsequently denied, the Agency had no real basis for providing them with feedback, and asked what the reason was for not providing feedback when the public requested the information.

Executive Director Rosen stated there would a recommendation from the evaluation committee, and the RFP/RFQ process with review of responses and recommendation by a selection committee allowed for the Agency to have a clean, clear process with integrity that would not subject the process to challenges. Ms. Rosen stated she did not think that it was appropriate to provide requested information from one denied respondent and not to others. Ms. Rosen stated there had been requests from prospective developers to meet with her, but that when evaluation of responses to a RFP or RFQ had begun, she had taken the position that she could not meet with the applicants. Ms. Rosen stated the Agency wanted to have a fair, equitable process, and that she had been concerned with a number of incomplete proposals, and even after extending the time for responses, there were still incomplete proposals, and that was not good for the Agency and had caused some frustrations in the community. Ms. Rosen stated she had asked the Agency's Legal staff to work with her in looking at ways to simplify the RFP process, and leave some of the extensive paperwork to the point when an applicant's proposal had been selected, so that if a signature was missed on one of the attachments, that would not be a disqualifier. In addition, for the disposition of the MUNI substation parcel on Turk Street where there were three incomplete applications on the first issuance of the RFP, the Agency extended the time, and still, the applications were incomplete. Thereafter, the Commission approved a re-issuance of the RFP, and she had asked the Deputy Executive Director responsible for that solicitation, to meet with all of the applicants from the first round, to inform them of the deficiencies in their earlier applications. Ms. Rosen stated staff had also prepared a checklist that would be discussed at the pre-bid meeting, to go through carefully all of the things needed for the proposal, but some applicants do not come to the pre-bid meeting, and simply submit their applications, and would not have the benefit of staff walking them through,

step by step, all of the things they needed to have. Ms. Rosen stated if the Commissioners had other ideas about improving the communications with applicants, and stated that the staff's goal was to make the public solicitation widely available, encourage qualified applicants, especially small businesses located within project areas, and to have a full and fair competition with as many qualified applicants as possible.

10. CLOSED SESSION

- 10 (a)** Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with the Service Employees International Union (SEIU) Local 790 representing the Local 790 bargaining unit and with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/ Technical bargaining unit. Agency negotiators: Marcia Rosen and James B. Morales.

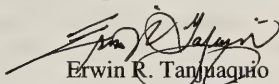
NOTE: Closed Session item 10 (b) was not discussed.

- 10 (b)** Pursuant to Government Code § 54956.9(c): Conference with Legal Counsel regarding initiation of litigation: one potential case.

11. ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:18 p.m.

Respectfully submitted,


Erwin R. Taniguchi
Agency Secretary

APPROVED:

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
19TH DAY OF SEPTEMBER 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of September 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but are related to general Agency business would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond, on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

OCT - 5 2006

Leroy King

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of August 15, 2006

4 (b) Resolution No. 117-2006, Authorizing a First Amendment to the Notre Dame Apartments ground lease with Notre Dame Housing Partners, L.P., a California limited partnership, to revise the permitted uses of operating income for the rehabilitation of 205 units of very low income rental housing units at Notre Dame Apartments, 1590 Broadway Street, as part of the Agency's Affordable Housing Preservation Program and Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF AUGUST 15, 2006 (MR. ROMERO ABSTAINED), AND 4 (b) RESOLUTION NO. 117-2006, AUTHORIZING A FIRST AMENDMENT TO THE NOTRE DAME APARTMENTS GROUND LEASE WITH NOTRE DAME HOUSING PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE PERMITTED USES OF OPERATING INCOME FOR THE REHABILITATION OF 205 UNITS OF VERY LOW INCOME RENTAL HOUSING UNITS AT NOTRE DAME APARTMENTS, 1590 BROADWAY STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM AND CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (c) Resolution No. 118-2006, Authorizing execution of a Mentorship Agreement with the National Urban Fellows, Inc., a nonprofit public benefit corporation, in an amount not to exceed \$60,000, for the 2006-2007 academic year

Presenters: Marcia Rosen (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (c).

Commissioner Covington stated she was very familiar with Baruch College, and that it used to be the downtown campus of the City College of New York where she received her undergraduate degree. Ms. Covington stated Baruch College had an excellent reputation and that Mr. David Miller had a fine resume. Ms. Covington seconded Commissioner Romero's motion to adopt item 4 (c). Ms. Covington stated she saw this was a unique program for a Masters in Public Administration with the City University of New York, and asked if the National Urban Fellows (NUF) program had any associations with universities on the west coast.

Executive Director Rosen stated at this point, the National Urban Fellows' only affiliation was with the City University of New York. However, their students were placed throughout the country. Ms. Rosen stated that she had met with the leadership of the NUF program urging them to look for Bay Area academic sponsorships, because the Bay Area had both government positions and a very robust nonprofit community that would be wonderful hosts and mentors for their fellows. Ms. Rosen stated she thought that the NUF was looking forward to a strategic plan for expansion, possibly including other academic partnerships.

Commissioner Covington asked if there was another fellowship program other than the National Urban Fellows with a similar program.

Executive Director Rosen stated there were a number of different programs, but that the unique qualities of the National Urban Fellows program include the Masters in Public Administration over a 14-month period, and that the students receive stipends while working on their degree. While \$25,000 was a modest amount in today's economy, most graduate programs had substantial costs to the student, whereas the National Urban Fellows program offered the stipend plus the tuition paid by the sponsorship organization. Ms. Rosen stated she believed it would of great benefit to Bay Area students and sponsors if there were such a program in the Bay Area.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 118-2006, AUTHORIZING EXECUTION OF A MENTORSHIP AGREEMENT WITH THE NATIONAL URBAN FELLOWS, INC., A NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$60,000, FOR THE 2006-2007 ACADEMIC YEAR, BE ADOPTED.

Items 4 (d), (e) and (f) were presented together and acted upon separately.

- 4 (d)** Resolution No. 119-2006, Authorizing a First Amendment to the Owner Participation Agreement and a Regulatory Agreement with Kaiser Foundation Hospitals, a California nonprofit public benefit corporation, to amend the schedule of performance and amend other provisions governing the development of a 21-unit affordable rental housing project located at 2139 O'Farrell Street, Assessor's Block 1101, Lot 022; Western Addition Redevelopment Project Area A-2
- 4 (e)** Resolution No. 120-2006, Conditionally approving the revised schematic design for a 21-unit affordable rental housing project located at 2139 O'Farrell Street, Assessor's Block 1101, Lot 022; Western Addition Redevelopment Project Area A-2
- 4 (f)** Resolution No. 121-2006, Approving the Replacement Housing Plan related to the demolition of 21 affordable housing units at 1401-1417 Divisadero Street and the construction of a 21-unit affordable rental housing project located at 2139 O'Farrell Street, Assessor's Block 1101, Lot 022; Western Addition Redevelopment Project Area A-2

Presenters: Albert Luis (Agency staff), Jim Philips (Kaiser), Rev. Calvin Jones (TCDC), Larry Mayers (Michael Willis Architects)

Presenters: Ron Miguel, Rev. Arnold Townsend

Commissioner Yee stated that the Commission originally authorized the owner participation agreement with Kaiser seven or eight years ago, and asked if it was normal to take that much time to develop a small project of 21 units.

Mr. Albert Luis, Senior Development Specialist, stated that was not a normal time frame to develop the project, but that Kaiser Foundation Hospitals was not a developer. Mr. Luis stated Kaiser purchased the property on Divisadero Street in anticipation of expanding their Geary Boulevard campus, but as part of the expansion, which included tearing down the building, Kaiser had to replace the units at another site, a site on 2139 O'Farrell Street that they owned, which was located within the Western Addition A-2 Project Area. Mr. Luis stated that in the meantime, Kaiser's expansion plans stalled, and they could not tear down the building on Divisadero Street to expand their office building and therefore, could not build the replacement housing units on O'Farrell Street. It had taken Kaiser this long to modify their plans and get their budget in order. Mr. Luis reiterated that Kaiser was not a housing developer and that was why they had an agreement with Tabernacle Community Development Corporation (TCDC) to develop the affordable housing units.

Commissioner Yee stated he understood that Kaiser was not a housing developer, but it seemed like it was a long time to develop 21 housing units. Mr. Yee asked what the difference was between 100% leased and 100% occupied.

Mr. Luis stated 100% leased meant that Kaiser could have rental lease agreements with tenants without the tenants actually moving in, which would make the development 100% occupied. Mr. Luis stated the Agency and Kaiser came to an agreement that 100% lease-up would be acceptable in lieu of the 100% occupied, because the tenants would have a contract to move into the units, and the Agency would then issue the certificate of completion.

Ms. Alice Barkley, attorney for Kaiser, stated the reason why Kaiser took so long to get the project going, was because Kaiser was under State mandate to replace of its hospitals under the current seismic standards, which diverted most of Kaiser's statewide resources to its hospital projects. Ms. Barkley stated that Kaiser was finally able to set aside \$5 million to get the housing project going and get it constructed. Ms. Barkley stated with respect to the leasing versus occupancy, the TCDC would have a master lease with Kaiser before the building was completed to allow TCDC to lease up the housing units, so that Kaiser could expedite turning over the building to TCDC as soon as the units were leased up without waiting for full occupancy.

Commissioner Yee stated he would request Agency staff to monitor similar development projects in the future to ensure timely development. Mr. Yee stated that affordable housing was sorely needed, especially in the Western Addition, and it would be good to remind developers of the urgent need and to avoid delays whenever possible. Mr. Yee put forth a motion to adopt item 4 (d).

Commissioner Breed stated she was really excited about the project, because as a native resident of the Western Addition, she was mindful of the impacts of redevelopment in the past, the present and the Agency's efforts for the future. Ms. Breed stated she thought it was outstanding to see an African-American nonprofit organization to be able to develop such a project to benefit the Western Addition, especially as the Agency's jurisdiction in the Western Addition was coming to an end. Ms. Breed stated she was looking forward to the project's completion and hoped for its success, and that she had known Rev. Calvin Jones for many years, and that he had always been a great person of integrity who was actively involved in helping people in the community. Ms. Breed seconded Commissioner Yee's motion to adopt item 4 (d) and stated she looked forward to the project's progress.

Commissioner Covington stated she would echo Commissioner Breed's statements that the project was a wonderful ecumenical effort and that it was an exciting project and she was happy to see it get started, as Commissioner Yee stated earlier, after a long wait. Ms. Covington requested verification that the parcel was the parcel next to the Walgreen's parking lot. Ms. Covington stated she noted that the last five people to vacate the building on Divisadero Street took Kaiser's lump-sum buyout payment of \$100,000, and asked if that precluded them from returning to the redeveloped site.

Mr. Luis affirmed that the parcel was the parcel next to the Walgreen's parking lot. Mr. Luis stated that the five former tenants from the Divisadero Street building signed a relocation agreement with Kaiser that they would take the buyout and they would not be coming back, and there was one tenant that was originally in the Divisadero Street building that was relocated to another rental development who would be coming back to the redeveloped housing on O'Farrell Street.

Commissioner Singh stated it was a wonderful project, and asked if Kaiser would help the Agency with similar affordable housing projects in the future.

Executive Director Rosen stated if Kaiser was going to demolish any more affordable housing units within redevelopment project areas, they would have to replace the units pursuant to State law, but that she did not think Kaiser had any plans to do so at the present time.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (d) RESOLUTION NO. 119-2006, AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT AND A REGULATORY AGREEMENT WITH KAISER FOUNDATION HOSPITALS, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO AMEND THE SCHEDULE OF PERFORMANCE AND AMEND OTHER PROVISIONS GOVERNING THE DEVELOPMENT OF A 21-UNIT AFFORDABLE RENTAL HOUSING PROJECT LOCATED AT 2139 O'FARRELL STREET, ASSESSOR'S BLOCK 1101, LOT 022; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (e) RESOLUTION NO. 120-2006, CONDITIONALLY APPROVING THE REVISED SCHEMATIC DESIGN FOR A 21-UNIT AFFORDABLE RENTAL HOUSING PROJECT LOCATED AT 2139 O'FARRELL STREET, ASSESSOR'S BLOCK 1101, LOT 022; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT), THAT ITEM 4 (f) RESOLUTION NO. 121-2006, APPROVING THE REPLACEMENT HOUSING PLAN RELATED TO THE DEMOLITION OF 21 AFFORDABLE HOUSING UNITS AT 1401-1417 DIVISADERO STREET AND THE CONSTRUCTION OF A 21-UNIT AFFORDABLE RENTAL HOUSING PROJECT LOCATED AT 2139 O'FARRELL STREET, ASSESSOR'S BLOCK 1101, LOT 022; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Items 4 (g) and (h) were presented together and acted upon separately.

- 4 (g) Resolution No. 122-2006, Authorizing the Executive Director to execute with Mercy Housing XVII, L.P., a California limited partnership: (1) a First Amendment to a Financial Adjustment Factor Capital Loan Agreement in an amount of \$1,560,000 for a total aggregate amount of \$2,626,000; and (2) a Second Amendment to the ground lease; in conjunction with the refinancing of 68 units of very low-income rental housing units at the Derek Silva Community, 20 Franklin Street; Housing Opportunities for Persons With AIDS Program
- 4 (h) Resolution No. 123-2006, Authorizing a Housing Opportunities for Persons With AIDS Operating Agreement with Mercy Housing California, a California nonprofit public benefit corporation, in an amount not to exceed \$150,000, for October 1, 2006 to September 30, 2009, contingent upon program considerations, availability of funds and performance, at the Derek Silva Community, 20 Franklin Street, to provide program operating costs for people living with HIV/AIDS, Housing Opportunities for Persons With AIDS Program

Presenters: Elizabeth Colomello (Agency staff)

Commissioner Covington asked if the reduction of the Derek Silva rent payments from \$15,000 to \$1.00 per year had been done for other entities.

Ms. Elizabeth Colomello, Development Specialist, stated she was not certain, but that the Agency had waived rental payments for other properties.

Mr. Olson Lee, Deputy Executive Director for Housing, stated the Agency's structure of its land lease payments was generally structured in a way where the Agency established a base-rent, and then a residual rent, which was based upon the full market value of the property. Mr. Lee stated in the case of Derek Silva, the base rent was established at \$15,000, which was based upon what the Agency anticipated in rent income and revenues from the project, but as Ms. Colomello stated earlier, that base rent was not realized

as the Agency had anticipated, and as a result, the project sponsor could not pay the \$15,000 base rent nor the residual rent. Mr. Lee stated the primary factor in the rent shortfall, which was evident not only for Derek Silva, but also other project-based Section 8 housing, was the reduction in Section 8 rents authorized by the Department of Housing and Urban Development (HUD). The Agency sought to support the building operations by getting tenant-based vouchers placed with the building, so that the rents from those tenant-based vouchers (which were now project-based vouchers) would support not only the operations of the building, but also the additional mortgage for the building. This was done assuming that the rents for those Section 8 certificates would continue to rise over time, and in fact, not only for the Derek Silva project, but throughout the Agency's affordable housing portfolio, those rents did not rise, and in some cases, the rents were flat or fell. Mr. Lee stated the Agency had underwritten some land leases with the land lease payments from the beginning of the transaction had only been one dollar, based upon what the Agency thought a project was able to support to pay the land lease at that time. Mr. Lee stated that when the Agency structured the Derek Silva project originally, the Agency hoped that the rents would continue to grow, that the federal government would continue to support the building, rents and operations, and that the Agency's land lease payments would create program income, which would then be used to support additional affordable housing development. Unfortunately, that just had not occurred at this time. Mr. Lee stated that rather than taking the money from the land lease payments and giving it back to the owner in the form of a subsidy, the Agency staff was recommending to the Commission to lower the land lease payments as part of the Agency's contribution to the project, until later in the 99-year lease period, where staff believed there would be additional revenues available to pay a higher base rent. Mr. Lee stated in addition to the base rent, whether it was one dollar or \$15,000, there was also the outstanding residual rent, and should the property make money above and beyond what had been projected, the Agency would be protected by the residual portion of the land lease payment. Mr. Lee stated Agency staff anticipated that the project would continue to need the resources, and that all resources and revenues above and beyond what would be paid to the outside lenders, would stay in the project, in the form of a reserve to support the project, and at the end of the 15-year mortgage, there would be adequate resources to fund the ongoing operations.

Commissioner Covington asked if the rent subsidies had not risen for Derek Silva, was the Agency looking at similar requests for the rest of the Agency's affordable housing portfolio.

Mr. Lee stated the Agency had similar issues for all of its project-based Section 8 affordable housing portfolio, with some buildings having a larger cushion of cash reserves, and did not need to come back to the Agency, but the Derek Silva did not have as big a cushion of cash reserves, because of

the amount of services going into the building in addition to the high cost of the building operations, and the high cost of the debt that the building had to support. Mr. Lee stated the dollar value of the rent subsidies that had gone down had affected the Agency's entire affordable housing portfolio, and the question was if they could hang-on until the next adjustment in the fair market rent, or would they have to restructure the loan.

Commissioner Covington thanked Mr. Lee for the explanation, and stated there were a lot of vulnerable populations within the City, and the importance of having people living with HIV/AIDS live in secure, safe and pleasant housing was something she wished for. Ms. Covington put forth a motion to adopt item 4 (g).

Commissioner Romero thanked staff for the clear presentation, and seconded Commissioner Covington's motion to adopt item 4 (g).

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 122-2006, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE WITH MERCY HOUSING XVII, L.P., A CALIFORNIA LIMITED PARTNERSHIP: (1) A FIRST AMENDMENT TO A FINANCIAL ADJUSTMENT FACTOR CAPITAL LOAN AGREEMENT IN AN AMOUNT OF \$1,560,000 FOR A TOTAL AGGREGATE AMOUNT OF \$2,626,000; AND (2) A SECOND AMENDMENT TO THE GROUND LEASE; IN CONJUNCTION WITH THE REFINANCING OF 68 UNITS OF VERY LOW-INCOME RENTAL HOUSING UNITS AT THE DEREK SILVA COMMUNITY, 20 FRANKLIN STREET; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 123-2006, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS OPERATING AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$150,000, FOR OCTOBER 1, 2006 TO SEPTEMBER 30, 2009, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, AT THE DEREK SILVA COMMUNITY, 20 FRANKLIN STREET, TO PROVIDE PROGRAM OPERATING COSTS FOR PEOPLE LIVING WITH HIV/AIDS, HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

- 4 (i) Resolution No. 124-2006, Authorizing an Owner Participation Agreement with Alfred McAfee, for the proposed development located at 4132 Third Street, at the intersection of Third Street and Innes Avenue (Assessor's Block 5260, Lots 002 and 003); Bayview Industrial Triangle Redevelopment Project Area
- 4 (j) Resolution No. 125-2006, Conditionally approving a schematic design for the proposed development located at 4132 Third Street at the intersection of Third Street and Innes Avenue (Assessor's Block 5260, Lots 002 and 003); Bayview Industrial Triangle Redevelopment Project Area

Executive Director Rosen stated she would request the Commission to continue items 4 (i) and (j) to the next regular Commission meeting on October 3rd, because at the last minute, staff was not able to complete one of the required documents. Ms. Rosen stated this was a very good project with strong support from the Bayview Hunters Point Project Area Committee, but staff was not able to complete the documentation in time for the Commission meeting.

Speakers: Dorris Vincent, Monika Hudson

Commissioner Singh put forth a motion to continue items 4 (i) and (j) to the Commission meeting of October 3, 2006. Commissioner Romero seconded the motion.

Commissioner Yee inquired about the documentation that was not completed.

Executive Director Rosen stated the owner very generously offered to make one of his units affordable, and staff simply had not had the time to review the documentation related to the provision of an affordable housing unit, which the owner was not otherwise required to provide, and staff would like to thoroughly review the agreement with him.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEMS 4 (i) RESOLUTION NO. 124-2006, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH ALFRED MCAFEE, FOR THE PROPOSED DEVELOPMENT LOCATED AT 4132 THIRD STREET, AT THE INTERSECTION OF THIRD STREET AND INNES AVENUE (ASSESSOR'S BLOCK 5260, LOTS 002 AND 003); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, AND 4 (j) RESOLUTION NO. 125-2006, CONDITIONALLY APPROVING A SCHEMATIC DESIGN FOR THE PROPOSED DEVELOPMENT LOCATED AT 4132 THIRD STREET AT THE INTERSECTION OF THIRD STREET AND INNES AVENUE (ASSESSOR'S BLOCK 5260, LOTS 002 AND 003); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE CONTINUED TO THE COMMISSION MEETING OF OCTOBER 3, 2006.

- 4 (k) Resolution No. 126-2006, Authorizing a Personal Services Contract with The Private Industry Council of San Francisco, Inc., a California nonprofit public benefit corporation, in an amount not to exceed \$820,908, from October 1, 2006 to June 30, 2007, to contract for services and administer employment and training services contracts with Ella Hill Hutch Community Center, Mission Hiring Hall, Inc.'s South of Market Employment Center and Young Community Developers, Inc.; each a California nonprofit public benefit corporation, all redevelopment project and survey areas

Presenters: Isabella Wong (Agency staff)

Speakers: Ellouise Patton, Oscar James, Ace Washington

Commissioner Singh stated he thought this was one of the best programs the Agency sponsored, and commended all of the nonprofit community organizations providing the employment and training services, like Mr. Don Marcos of the South of Market Employment Center and also all of the others from the other organizations. Mr. Singh put forth a motion to adopt item 4 (k).

Commissioner Romero seconded Commissioner Singh's motion to adopt item 4 (k).

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 126-2006, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE PRIVATE INDUSTRY COUNCIL OF SAN FRANCISCO, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$820,908, FROM OCTOBER 1, 2006 TO JUNE 30, 2007, TO CONTRACT FOR SERVICES AND ADMINISTER EMPLOYMENT AND TRAINING SERVICES CONTRACTS WITH ELLA HILL HUTCH COMMUNITY CENTER, MISSION HIRING HALL, INC.'S SOUTH OF MARKET EMPLOYMENT CENTER AND YOUNG COMMUNITY DEVELOPERS, INC.; EACH A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, ALL REDEVELOPMENT PROJECT AND SURVEY AREAS, BE ADOPTED.

- 4 (l) Resolution No. 127-2006, Authorizing a Letter Agreement with the Mayor's Office of Community Development, in an amount not to exceed \$676,869, from October 1, 2006 to June 30, 2007 for administrative costs and business development contracts with (1) the South of Market Foundation, a California nonprofit public benefit corporation dba: Urban Solutions (Western Addition A-2 and South of Market Redevelopment Project Areas) and (2) the Renaissance Entrepreneurship Center, a California nonprofit public benefit corporation, and its Bayview Business Resource Center and Small Business Technology Center (South of Market, Yerba Buena Center, India Basin and Bayview Industrial Triangle Park Redevelopment Project Areas)

Presenters: Isabella Wong (Agency staff)

Speakers: Sharon Miller, Alex Saldarriaga, Monika Hudson, Oscar James, Jenny McNulty, Ellouise Patton, Ace Washington, David Cincotta

Mr. Ace Washington, in addressing the Commission, asked why the Agency was paying over a half a million dollars to the Mayor's Office of Community Development (MOCD) under the proposed letter agreement.

President Peterson stated for the continuity of the discussion, he would request the Executive Director to provide a response to Mr. Washington's question.

Executive Director Rosen stated perhaps, Mr. Washington did not read the Commission memorandum, because the memorandum pointed out that the total contract amount included the \$424,266 for Urban Solutions, the \$220,371 for the Renaissance Entrepreneurship Center, and an amount of only \$32,232 for the MOCD to administer these contracts, which represented a very small fee to the MOCD.

Commissioner Romero stated he wanted to thank everybody for a very informative presentation, as well as members of the public who testified, because it was very clear that these organizations were providing valuable services with proven track records. Mr. Romero put forth a motion to adopt item 4 (l).

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (l).

President Peterson stated the matter was very positive, and that he was certain there would be a unanimous approval by the Commission, and wished the organizations continued success. Mr. Peterson stated he thought that all of the organizations associated with the letter agreement were doing a fantastic job, and that it was great to see the progress, and it was also great to see the organizations get the acknowledgment in different media for the positive results of their work, and congratulated all of them.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (l) RESOLUTION NO. 127-2006, AUTHORIZING A LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT, IN AN AMOUNT NOT TO EXCEED \$676,869, FROM OCTOBER 1, 2006 TO JUNE 30, 2007 FOR ADMINISTRATIVE COSTS AND BUSINESS DEVELOPMENT

CONTRACTS WITH (1) THE SOUTH OF MARKET FOUNDATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION DBA: URBAN SOLUTIONS (WESTERN ADDITION A-2 AND SOUTH OF MARKET REDEVELOPMENT PROJECT AREAS) AND (2) THE RENAISSANCE ENTREPRENEURSHIP CENTER, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND ITS BAYVIEW BUSINESS RESOURCE CENTER AND SMALL BUSINESS TECHNOLOGY CENTER (SOUTH OF MARKET, YERBA BUENA CENTER, INDIA BASIN AND BAYVIEW INDUSTRIAL TRIANGLE PARK REDEVELOPMENT PROJECT AREAS), BE ADOPTED.

- 4 (m)** Resolution No. 128-2006, Authorizing a First Amendment to the Personal Services Contract with Wagstaff and Associates, a California corporation, for an additional \$35,680 to conduct a more detailed historic resources survey, for a total aggregate amount not to exceed \$305,185 for three years to prepare an environmental impact report; Visitation Valley Redevelopment Survey Area

Presenters: Tom Evans (Agency staff)

Commissioner Covington asked if the aggregate contract amount would be sufficient to cover the preparation of both the Draft and Final Environmental Impact Report (EIR).

Mr. Tom Evans, Lead Planner, stated the proposed scope of services would include the Draft EIR, the preparation of a comments and responses document and the publication of a Final EIR. Mr. Evans stated that staff had anticipated every step of the California Environmental Quality Act process in the scope of services.

Commissioner Covington put forth a motion to adopt item 4 (m).
Commissioner Yee seconded the motion.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 128-2006, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH WAGSTAFF AND ASSOCIATES, A CALIFORNIA CORPORATION, FOR AN ADDITIONAL \$35,680 TO CONDUCT A MORE DETAILED HISTORIC RESOURCES SURVEY, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$305,185 FOR THREE YEARS TO PREPARE AN ENVIRONMENTAL IMPACT REPORT; VISITACION VALLEY REDEVELOPMENT SURVEY AREA, BE ADOPTED.

- 4 (n) Resolution No. 129-2006, Finding that an elected Project Area Committee is not required for the Visitacion Valley Redevelopment Survey Area;
Visitacion Valley Redevelopment Survey Area

Presenters: Christina Ferracane (Agency staff)

Commissioner Covington stated she was a little confused with the item, and asked why would the Agency, the only entity in the City and County of San Francisco with the power of eminent domain, give up that power at the beginning of planning process, when the Agency was trying to figure out what needs to be done. Ms. Covington stated she did not quite understand the rationale for the staff recommendation.

Executive Director Rosen stated the Agency would only give up the power of eminent domain over property in which people reside, not over commercial property. Ms. Rosen stated the focus of the planning effort in Visitacion Valley would be to redevelop an industrial site and to revitalize the neighborhood commercial district, and there would not be a focus on residential development, and the Agency wanted to give assurances to the community that there would not be the threat of eminent domain on people's homes.

Commissioner Covington stated she wanted to inquire about the difference between a Project Area Committee (PAC) and a Citizens' Advisory Committee (CAC), because the matter was continually being brought up by the public. Ms. Covington stated she kept hearing complaints from other areas in the City that some of the PACs had staff and CACs do not have staff, and there seemed to be an imbalance in terms of the amount of volunteer work that was required of some groups to do the most mundane tasks, while other groups that are also organizations working on redevelopment issues do not have support. Ms. Covington stated she would like to see the matter placed on a future Commission meeting agenda, so that the Commission could look at each and every area, whether a project area or a survey area, and to have an analysis of the difference between a PAC and a CAC, and to determine what support was required.

Commissioner Romero stated it was clear on the survey area map shown that the focus of the redevelopment effort was the industrial site along Bayshore Boulevard, and even though there were a small number of residences in the survey area, the Agency could avoid the confrontation about eminent domain particularly in a small area. Mr. Romero recalled that the main focus of the people who wanted the area to be a redevelopment project area, was the abandoned and underutilized industrial site. Mr. Romero stated with regard to the PAC and CAC, it was always his understanding that the PAC was a creature of the redevelopment law and the requirements thereunder, whereas the CAC was not a product of the same

statute. Mr. Romero stated the old informational memorandum on the difference between a PAC and a CAC could be distributed to the Commission, and maybe elaborates on the funding policy. Mr. Romero put forth a motion to adopt item 4 (n).

President Peterson requested the Executive Director to provide the informational memorandum that Commissioner Romero referred to.

Executive Director Rosen stated she would provide the informational memorandum to the Commission, and that she wanted to clarify, in response to Commissioner Covington's comments, that the expenses related to mailing and noticing of the meetings for the CAC was absorbed by the Agency and not imposed as a volunteer effort on the CAC members, so the administrative expenses were borne by the Agency.

President Peterson stated Commissioner Covington brought up good points and for the new Commissioners, the information would be very helpful.

Commissioner Romero suggested that it would be very good to see a side-by-side comparison of what a PAC and CAC get.

Commissioner Singh asked what the population was in the Visitacion Valley survey area.

Ms. Christina Ferracane, Associate Planner, stated there were approximately 100 housing units along Leland Avenue, but that most of the survey area comprised of industrial uses, with some retail commercial.

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (n).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT AND MS. COVINGTON ABSTAINED) THAT ITEM 4 (n) RESOLUTION NO. 129-2006, FINDING THAT AN ELECTED PROJECT AREA COMMITTEE IS NOT REQUIRED FOR THE VISITACION VALLEY REDEVELOPMENT SURVEY AREA; VISITACION VALLEY REDEVELOPMENT SURVEY AREA, BE ADOPTED.

- 4 (o)** Public hearing on the update of the Hunters Point Shipyard Redevelopment Project Area Implementation Plan

Presenters: Nicole Franklin (Agency staff)

Speakers: Oscar James, Monika Hudson

Commissioner Romero thanked staff for the presentation and also for the comprehensive informational memorandum on the background of the Hunters Point Shipyard, and recalled that during the past 10 years he had been on the Commission, the Agency had been working on the Shipyard and it took many years to adopt the redevelopment plan. Mr. Romero stated that the implementation plan was a product of thousands of hours of staff and community input that had resulted in an excellent implementation plan, specifically as to the priority for local residents, community-based organizations, and businesses in the area of job training, hiring and contracting. In addition, there are priority programs for community-based developers, and priority leasing programs for community-based businesses. Mr. Romero stated it was good to be reminded of the Agency's commitment to the community and opined that the implementation plan for the Shipyard was indeed on the right track.

Commissioner Yee thanked Ms. Nicole Franklin for doing an outstanding job. Mr. Yee stated that the Navy had been slow in removing the toxic substances in the Shipyard, and recalled that Ms. Franklin stated in her presentation that Parcel B was scheduled to be conveyed to the Agency in four or five years, but that the Commission was previously informed two years ago that Parcel B would be conveyed in two years. Mr. Yee asked how long it would take for the Navy to cleanup the contamination on all of the parcels in the Shipyard.

Ms. Nicole Franklin, Project Manager for the Hunters Point Shipyard, stated she attended monthly meetings with the Navy on the toxics issue, and the Navy was currently working with Ms. Amy Brownell of the Department of Public Health to revise the Federal Facilities Agreements, which was the schedule for the cleanup in the Shipyard, and staff should know more about the scheduled in the next month. Ms. Franklin stated staff believed that Parcels B and D would be cleaned up and conveyed to the Agency within the next three to five years, but it was uncertain about Parcels C and E. Ms. Franklin stated the Navy was working diligently on the cleanup, and currently, they were undergoing a base-wide removal of the Shipyard's storm and sewer systems, and that was taking quite a bit of time.

Commissioner Covington asked about the Agency's policy with regard to very mature trees on the Shipyard, because she knew there were a lot of tall trees on the first parcel that were uprooted, and that was a concern to her because she had received a lot of telephone calls about the trees.

Ms. Franklin stated she had also received a lot of telephone calls about the trees, and had attended a lot of community meetings including the Forestry Council to explain to them what the Agency was doing in the Shipyard. Ms. Franklin stated that prior to the removal of the trees, the Agency had specialists come to the site to check the health of the trees, including the

four palm trees at the Shipyard's entrance, some of which were diseased, however, there were over 100 trees that had been preserved and were being maintained by the Agency, and would be replanted in the new Hillpoint Park. Ms. Franklin stated by the time Lennar completes the streetscape throughout the entire Shipyard, there would be more trees planted than there were originally, and that a workshop on the Shipyard's streetscape master plan was scheduled for the next Commission meeting to discuss the landscaping as part of the Phase I development on Parcel A.

Commissioner Covington requested verification that the implementation plan was expiring in 2007, and asked if the Agency was on track to complete a significant portion of the work.

Ms. Franklin stated that the current five-year implementation plan would expire in 2007, and would have to be renewed at that time. Ms. Franklin stated by that time, the Agency would have completed some of work specified in the implementation plan, but that the Agency would continue to work with the local Bayview Hunters Point community, the developer and the Navy to reassess the goals and plan the work between 2008 and 2012.

Commissioner Covington asked Ms. Franklin to speak more about the estimated budget of \$40 million that had gone up to \$70 million.

Ms. Franklin stated that the engineering cost estimates for the deconstruction, demolition, mass grading, retaining walls and the infrastructure, were prepared in 2003 when the Agency and Lennar executed the Disposition and Development Agreement (DDA). Ms. Franklin stated the increase in construction costs according to the developer, was a result of the high cost of steel and other construction materials throughout the world, and had caused construction costs to increase at unprecedented levels. Ms. Franklin stated the difference between the 2003 cost estimates and the actual costs of the raw materials and labor in 2006 had really taken a toll on the budget for the Shipyard.

Commissioner Covington asked how the \$30 million shortfall would be managed by the Agency.

Ms. Franklin stated the Agency issued \$34.5 million of bonds for the public improvements, and the remainder of the costs would be borne by Lennar.

Commissioner Covington asked how Lennar would manage the budget overage for Phase I, which was not yet completed.

Executive Director Rosen stated that the Agency was in a joint venture with Lennar, and the bonds the Agency issued were Mello-Roos debt, and was not debt secured by tax increment. Ms. Rosen stated at the end of the

development of the horizontal infrastructure, the finished parcels would be conveyed to vertical developers, and Lennar and its affiliates had the rights to also be the vertical developers, and they would purchase the finished parcels at fair market value. The DDA has a formula for the Agency and Lennar to split the land sale proceeds. Ms. Rosen stated that essentially, Lennar would be advancing funds that they hoped to recover through both the sales of the parcels to limited partnerships, and ultimately, through profits they hope to realize in the development of the housing. Ms. Rosen stated the DDA contemplated the split on the land sales proceeds to reward Lennar for the investment it made on the horizontal development and the risk it was taking in doing so, would be compensated for by the rate of return that they were permitted to get from the land sales proceeds.

Commissioner Covington asked if the budget overage would be passed on to people who would purchase the homes or rent the housing units.

Ms. Franklin stated that Lennar would front the funds for the project costs for the horizontal development, and then Lennar, out of the net land sales proceeds, would be reimbursed for qualified project costs, and at that point, the Agency and Lennar would share the net land sales proceeds, wherein the Agency would receive \$0.60 on \$1.00 up to 11% of the Agency's internal rate of return, and Lennar would receive \$0.40 on \$1.00 up to 25% of its internal rate of return, and the Agency's portion of the net land sales proceeds would go to the community. Ms. Franklin stated the purchase price of the land parcels would be dependent on the market and the requisite appraisals.

Mr. Gary McIntyre, Project Manager for Lennar/BVHP, stated that Lennar agreed with everything that Executive Director Rosen and Ms. Franklin stated.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Oscar James, Charles Spencer, Aileen Hernandez, Ace Washington

7. **REPORT OF THE PRESIDENT** None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen introduced Mr. James Fields, the Agency's new Contract Compliance Supervisor, who has a long experience in contract compliance with the Human Rights Commission, and prior to that, he worked in an Affirmative Action Program in Hunters Point during the early years of redevelopment. Ms. Rosen stated that Mr. Fields was one of few professionals in the field that had the experience both on the workforce side, and on the contracting side, which comprised both halves of the Agency's Economic Development Program. Ms. Rosen stated she looked forward to working closely with Mr. Fields.
- Executive Director Rosen stated with respect to Ms. Aileen Hernandez's question about the Working Group, Ms. Rosen had already asked Mr. Fields to call Commissioners King and Singh to get available dates to reconvene the Working Group. Ms. Rosen stated in addition, she had asked Mr. Fields to prepare a report on the Agency's Small Business Enterprise Program, as well as a comparison of the Agency's interim program with the City's recently enacted permanent disadvantaged business program.

Mr. James Fields shared some remarks about his extensive and varied experience in contract compliance, and thanked the Commission for the opportunity to serve the Redevelopment Agency.

President Peterson welcomed Mr. Fields to the Agency and stated that he and Commissioner Breed took note of the way Mr. Fields carried himself throughout the meeting with his pleasant demeanor and sartorial splendor.

- Executive Director Rosen thanked Commissioners Breed, Covington and Singh for joining the Rincon Point – South Beach community at the dedication of the Agency's Harbor Services Building on Sunday September 17th, which was complimented with a bright and sunny day. Ms. Rosen stated many members of the community informed her of how appreciative they were that the Commissioners came out to the community to help them celebrate. Ms. Rosen stated that for the Commissioners who were not able to make the event, they would have been proud of Vice-President Breed in representing the Commission in her public remarks on behalf of the Agency.
- Executive Director Rosen stated by way of informing the public and congratulating Bayview Hunters Point PAC Chair Angelo King, the Agency was informed earlier in the day that the City Attorney had opined that the referendum petition on the Bayview Hunters Point Redevelopment Plan was invalid and no further action would be taken

on it. Ms. Rosen stated the Agency was very much looking forward to its partnership with the Bayview PAC, to begin implementing the redevelopment plan that the community worked over 10 years to bring to fruition.

Mr. Angelo King, Chair of the Bayview Hunters Point PAC, shared his delight with the City Attorney's opinion that the referendum petition on the Bayview Hunters Point Redevelopment Plan was invalid, and stated that he looked forward to beginning the work of making Bayview a better neighborhood.

- Executive Director Rosen stated she wanted to inform the public that the City Attorney's opinion was on the City Attorney's website, and that the basis for the opinion was that people did not have accurate information because the redevelopment plan was not part of the referendum petition. Ms. Rosen stated she looked forward to working with the Bayview PAC to make sure that the people of Bayview would be informed about what the redevelopment plan was about, what its goals are, which are primarily in area of affordable housing development, economic development opportunity and community enhancements for the betterment of the people who live and work in Bayview.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington stated she would like to be updated on where the Agency was on its website and posting of relevant Agency materials.

Executive Director Rosen stated that Commission Secretary Erwin Tanjuaquio and the Agency's Information Technology Supervisor, Mr. Kim Pan, had been working closely with her, and that she believed that the Agency had just about achieved compliance with getting all of the Agency's documents on the website. Ms. Rosen stated that perhaps, staff could prepare an informational memorandum providing a full update.

- Commissioner Covington stated an informational memorandum would be helpful, and asked when all of the documents would be posted on the website.

Executive Director Rosen stated she believed that copies of all the redevelopment plans had been posted on the website, and asked Mr. Tanjuaquio to provide additional information.

Mr. Tanjuaquio stated that the Agency's website was fully up to date and was in full compliance with the Agency's Public Records Policy adopted by the Commission in November 2005, and as Executive Director Rosen stated,

printer description files (PDFs) of all redevelopment plans had been posted on the website, and are available to the public for viewing and downloading. Mr. Tanjuaquio stated in addition, a three-year archive of all Agency meeting agendas, minutes and relevant documents had all been posted on the website, in compliance with the Agency's Public Records Policy. Mr. Tanjuaquio stated the website would be regularly updated to keep the information current.

- Commissioner Covington stated she thought it was important for the radio listeners to know that there was information available on the Agency's website about the Agency's activities and programs. Ms. Covington also requested that the City Attorney's opinion on the referendum petition for Bayview Hunters Point be made available on the Agency's website.

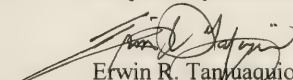
10. CLOSED SESSION

10 (a) Pursuant to Government Code § 54956.9(c): Conference with Legal

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:41 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

October 3, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
3RD DAY OF OCTOBER 2006

DOCUMENTS DEPT

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 3rd day of October 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE SEPTEMBER 19, 2006 COMMISSION MEETING

Items 3 (a) and (b) were presented together and acted upon separately.

- 3 (a)** Resolution No. 124-2006, Authorizing an Owner Participation Agreement with Alfred McAfee, for the proposed development located at 4132 Third Street, at the intersection of Third Street and Innes Avenue (Assessor's Block 5260, Lots 002 and 003); Bayview Industrial Triangle Redevelopment Project Area
- 3 (b)** Resolution No. 125-2006, Conditionally approving a schematic design for the proposed development located at 4132 Third Street at the intersection of Third Street and Innes Avenue (Assessor's Block 5260, Lots 002 and 003); Bayview Industrial Triangle Redevelopment Project Area

Presenters: Albert Luis, Saiful Abedin (Agency staff)

Speakers: Dorris M. Vincent

Commissioner Romero thanked Mr. Alfred McAfee for his cooperation with the Bayview Hunters Point Project Area Committee, and put forth a motion to adopt item 3 (a).

Commissioner Breed inquired about the blue and baby blue color scheme, and asked where the design concept came from.

Mr. Allan Martinez, architect, stated that the color scheme came from the traditional African wall painting, and was derived from a South African floral design, and that the design would be in glass mosaics, including the black and white components, to highlight the color palate.

Commissioner Breed stated that the illustrative renderings did not quite represent the glass mosaics and thought the project had a wonderful design. Ms. Breed seconded Commissioner Romero's motion to adopt item 3 (a).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 3 (a) RESOLUTION NO. 124-2006, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH ALFRED MCAFEE, FOR THE PROPOSED DEVELOPMENT LOCATED AT 4132 THIRD STREET, AT THE INTERSECTION OF THIRD STREET AND INNES AVENUE (ASSESSOR'S BLOCK 5260, LOTS 002 AND 003); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOTPED.

President Peterson stated that without objection, there would be the same call for adoption of item 3 (b).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 3 (b) RESOLUTION NO. 125-2006, CONDITIONALLY APPROVING A SCHEMATIC DESIGN FOR THE PROPOSED DEVELOPMENT LOCATED AT 4132 THIRD STREET AT THE INTERSECTION OF THIRD STREET AND INNES AVENUE (ASSESSOR'S BLOCK 5260, LOTS 002 AND 003); BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meeting of September 19, 2006

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF SEPTEMBER 19, 2006, BE ADOPTED.

REGULAR AGENDA

- 4 (b)** Resolution No. 130-2006, Authorizing execution of a Memorandum of Agreement with the Service Employees International Union (SEIU) Local 790 Bargaining Unit, for the period of October 1, 2006 through June 30, 2009

Presenters: James Morales (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (b) and commended the parties on reaching agreement, because he recalled that not too many years ago, there were some problems with negotiations, and that he was glad to see the agreements negotiated in a relatively short period of time.

Commissioner Covington seconded Commissioner Romero's motion to adopt item 4 (b).

Commissioner Yee asked how the three-year term of the labor contract was negotiated.

Mr. James Morales, Agency General Counsel, stated that ultimately, the Commission and the labor unions would have the final decision on the term of the labor contract. Mr. Morales stated that the Local 790 labor contract before the Commission was for a three years, and was consistent with the City's labor agreements as well as the Local 21 labor contracts.

Commissioner Yee stated the reason he asked was because in the past, there had been problems with the negotiations of the labor contracts, and that he believed that three years was a short period of time for labor contracts. Mr. Yee stated he personally favored a longer contract term than three years, and would recommend a five-year term.

Mr. Morales stated it was hard to predict what the City's or the Agency's budget would be for five years, and that it would be in the interest of both parties, after three years, to check where things stood. Mr. Morales stated that the financial situation of the Agency and the City, five or six years ago, was drastically different when the Agency was in a period of retrenchment, and that the previous labor agreements had minimal salary increases with some years not having any salary increases because of the City's budget constraints. Mr. Morales stated he believed that three years was a reasonable term given the unpredictability of the City's budget.

Commissioner Yee requested verification that a longer term contract would not be feasible for the reasons given.

Mr. Morales stated he thought it would be very difficult, because it would be a prediction of what the City's budget situation would be, with certain years having threats of cutbacks and other years of expansion. Mr. Morales stated there was a provision to extend the contract if both parties agreed to continue the terms in existence on the third year of the contract, but that three years was a reasonable period of time.

Commissioner Singh asked how many Agency employees were Local 790 members.

Mr. Morales stated that 43 employees out of the Agency's 107 permanent employee workforce were Local 790 members.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 130-2006, AUTHORIZING EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 790 BARGAINING UNIT, FOR THE PERIOD OF OCTOBER 1, 2006 THROUGH JUNE 30, 2009, BE ADOPTED.

Items 4 (c), (d) and (e) were presented together and acted upon separately.

- 4 (c)** Resolution No. 131-2006, Authorizing execution of a Memorandum of Agreement with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 Architects and Engineers unit for the period of October 1, 2006 through June 30, 2009
- 4 (d)** Resolution No. 132-2006, Authorizing execution of a Memorandum of Agreement with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 Professional/Technical Unit for the period of October 1, 2006 through June 30, 2009
- 4 (e)** Resolution No. 133-2006, Authorizing execution of a Memorandum of Agreement with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 Management/Supervisory Unit for the period of October 1, 2006 through June 30, 2009

Presenters: James Morales (Agency staff)

Speakers: Bob Britton

Commissioner Breed stated that as a former City employee, the salary step increases seemed very complex, but that she thought the salary step increases were reasonable. Ms. Breed put forth a motion to adopt item 4 (c).

Commissioner Covington seconded Commissioner Breed's motion to adopt item 4 (c). Ms. Covington asked what percentage of the Agency's annual budget was devoted for salaries.

Mr. James Morales, Agency General Counsel, stated he believed that the basic salary budget before benefits and taxes were applied, that the Commission approved was approximately \$10 million.

Commissioner Covington requested verification that the \$10 million salary budget was out of a total Agency budget of \$440 million. Ms. Covington asked how much the employee benefits package would add to the salary budget.

Executive Director Rosen stated that the Agency's total budget including administration, was \$246 million, and that the personnel and administration budget was about \$15 million, and the impact on the 2006/2007 budget for the fringe benefits and taxes, was about 1.25 percent of the salaries, because the salary increases would be effective on January 1, 2007, which was the mid-point of the contract year.

Mr. Morales stated he wanted to clarify that the actual dollar amount for the salary increases was about \$125,000 for the 2006/2007 fiscal year.

Commissioner Covington asked if an employee had to have a satisfactory annual performance review in order to receive the salary increases, or were the salary increases automatically given.

Mr. Morales stated the salary increases were automatically given to all employees on the Agency's payroll.

Commissioner Covington requested verification that an employee with an unsatisfactory performance review would not have an impact.

Mr. Morales stated that an employee with an unsatisfactory performance review would not have an impact. Mr. Morales stated there other remedies for unsatisfactory performance, but not disallowing the salary increases.

Commissioner Covington asked Mr. Morales to summarize areas where the Agency's labor contracts did not mirror the City labor contracts.

Mr. Morales stated that some variations from the City labor contracts had developed overtime. As an example, the Agency's retirement benefits pursuant to the California Public Employees Retirement System (CALPERS), was somewhat more generous than the City's retirement benefits. Mr. Morales stated another example was the City's severance policy, which was more generous than the Agency's. Mr. Morales stated there were differences in the disciplinary procedures between the Agency and the City. Within the three Agency bargaining units represented by Local 21, one of the comparable bargaining units in the City, was not represented by Local 21, and was represented by the Municipal Executive Association, so that the managers and supervisors in the City were represented by a separate union, which had their own negotiations. As a result, in the City, those City managers and supervisors have a different level of salary increases, a different performance incentive pay program, and their basic salary increases were somewhat lower than the Local 21 increases, but they also have other benefits that the Agency's managers and supervisors did not have. Mr. Morales stated Agency management was proposing that the Agency's management and supervisors receive the same salary increases as other members of Local 21. Although there were probably other differences, including overtime pay and compensatory time off that City employees could accrue, he believed that overall, the Agency was starting to match more the City's labor agreements.

Commissioner Covington requested clarification that over the next three years, there would be an eight percent salary increase for members of Local 21, and that an additional 7-1/2 percent could be approved by the Executive Director.

Mr. Morales stated the additional salary increase would be only for individual employees who meet certain standards in the labor contract.

Commissioner Covington asked Mr. Morales to summarize the standards for the additional salary increase.

Mr. Morales stated that first of all, the employee must be in a classification that does not have promotional opportunities. Other criteria include that the employee exercised a special skill, that the additional compensation recognized exemplary performance, that the additional compensation addressed demonstrated recruitment or retention issues, or that the employee engaged in a special project of limited duration. Mr. Morales stated there was a move by the City in part, to try to recruit and retain employees particularly in classifications that would be in much demand in the private sector, or classifications that would not have any additional promotional opportunities. Mr. Morales stated this would be decided by the Executive Director working with the employee and reviewing his or her qualifications for the extraordinary compensation. Mr. Morales stated he did not think it was fair to say that there would be an additional 7-1/2 percent across the board in any way, shape or form, because it would be a very specific and discretionary compensation for a few employees.

Commissioner Covington inquired about the telecommuting provisions and noted that there was an establishment of workspace requirements for those employees who might want to telecommute, and asked who would determine if the workspace requirements had been fully met.

Mr. Morales stated the City's telecommuting program and policy had specific criteria as to what the workspace should accommodate, and that he was not sure if someone from the City actually went to the site, but that there was an agreement that the employee must make that certain standards would be met.

Mr. Bob Britton of Local 21, stated there was a requirement under the California Occupational Safety and Health Administration (CAL OSHA) that there would be compliance that the workplace at home was safe.

Commissioner Romero inquired about the newer Local 21 bargaining units, the Professional/Technical, and Management/Supervisory units, and asked if the Agency had just completed a three-year agreement with them.

Mr. Morales stated there was a two-year agreement negotiated with the newer Local 21 bargaining units, and from the Agency's management point of view, this was done so that all of the labor agreements would have the same contract terms.

Commissioner Romero stated he was trying to remember when the newer Local 21 bargaining units were recognized by the Agency.

Executive Director Rosen stated the management/supervisory unit represented by Local 21 since 2004, used to be the SFREA (San Francisco Redevelopment Employees Association).

Commissioner Romero stated that he remembered that, and that he was asking the questions because he wanted to commend Local 21 and Agency management for the successful labor negotiations. Mr. Romero stated that with his background in labor, he was glad to see that the bargaining units and the Agency were developing a stable relationship, because of the previous turmoil a few years ago. Mr. Romero stated it was good to see that there was in place an orderly process dealing with workplace issues under an organized structure, where problems that arise could be dealt with in a peaceful and orderly manner. Mr. Romero stated he believed that the three-year contract term was reasonable and was typical of other labor contracts, and that he was supportive of the proposed labor contracts.

Commissioner Breed asked if there were cost-of-living increases included in the labor contracts.

Mr. Morales stated that the 2.5% in January 2007 would be an increase in the base salary, and represented a cost-of-living increase for all employees.

Commissioner King stated he wanted to commend and thank Mr. James Morales for carrying out the policy that the Commission adopted about four years ago, to have comparability with the City, and that Mr. Morales did a good job in negotiating the labor contracts on behalf of the Agency.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 131-2006, AUTHORIZING EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFPTE) LOCAL 21 ARCHITECTS AND ENGINEERS UNIT FOR THE PERIOD OF OCTOBER 1, 2006 THROUGH JUNE 30, 2009, BE ADOPTED.

President Peterson stated that without objection, there would be the same call for adoption of items 4 (d) and (e).

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 132-2006, AUTHORIZING EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFPTE) LOCAL 21 PROFESSIONAL/TECHNICAL UNIT FOR THE PERIOD OF OCTOBER 1, 2006 THROUGH JUNE 30, 2009, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 133-2006, AUTHORIZING EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFPTE) LOCAL 21 MANAGEMENT/SUPERVISORY UNIT FOR THE PERIOD OF OCTOBER 1, 2006 THROUGH JUNE 30, 2009, BE ADOPTED.

Items 4 (f), (g) and (h) were presented together and acted upon separately.

- 4 (f)** Resolution No. 134-2006, Authorizing a Tax Increment Loan Agreement in an amount not to exceed \$18,179,038 with Mercy Housing California XIIIIV, a California Limited Partnership and an amended and restated ground lease, and all ancillary documents as necessary, with Mercy Housing California, a nonprofit public benefit corporation, for the development of approximately 106 very low income senior rental units, and one manager's unit, at 66 9th Street, Block 3508, Lot 54; Mid-Market Redevelopment Survey Area; Citywide Tax Increment Housing Program
- 4 (g)** Resolution No. 135-2006, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an amount not to exceed \$27,330,000 to finance the construction of residential facilities known as Ninth and Jessie Senior Housing, Block 3508, Lot 51; Mid-Market Redevelopment Survey Area; Agency Citywide Affordable Housing Program
- 4 (h)** Resolution No. 136-2006, Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an amount not to exceed \$37,650,000 to finance the construction of residential facilities known as Tenth and Mission Family Housing; Mid-Market Redevelopment Survey Area, Agency Citywide Affordable Housing Program

Presenters: Elizabeth Colomello (Agency staff)

Speakers: Marie Jobling, Kathy Lipscomb, Karen Fishkin, Bobby Bogan, Bruce Allison, Elizabeth Boardman, Tim Colen, Lionel Sandiford, Donna Calame, Meg Cooch, Byron Yee

Commissioner Covington stated this was an exciting proposal and that she was very enthusiastic about the fabulous project because it would help meet not only the housing needs of people in dire situations, but also the housing needs of baby-boomers. Ms. Covington stated she thought the project was very attractive, and that was exactly what people wanted, attractive and safe housing that people would be proud of. Ms. Covington put forth a motion to adopt item 4 (f). She inquired about the outdoor space for seniors because she did not see that indicated on the schematic drawings, and asked if there would be opportunities for intermingling between the senior and family residents.

Ms. Elizabeth Colomello, Development Specialist, stated there would be some courtyard outdoor space on the ground floor, but that the larger portion of the outdoor space would be located on the podium level. Ms. Colomello stated that when the project was redesigned, units were removed from the podium area to allow for outdoor space for both the seniors and family residents. Ms. Colomello stated the enhanced outdoor space would provide ample opportunity for intermingling among all of the project's residents.

Commissioner Covington asked what would happen if children in the family units age and move out of the units, leaving a parent or parents residing in a three-bedroom unit.

Ms. Colomello stated she believed that people would be moved to units that meet their new household size, but that no one would be displaced because their children grew up and moved out, and staff believed that with the one-, two- and three-bedroom unit mix of the proposed development, that eventuality could be accommodated, while ensuring that people would still qualify for the units.

Commissioner Singh stated he thought it was an exciting project and seconded Commissioner Covington's motion to adopt item 4 (f). Mr. Singh asked if the money being provided to Mercy Housing was a grant or a loan, and if it was a loan, what the interest rate was.

Ms. Colomello stated the money being provided to Mercy Housing was a loan, with a zero interest rate, because the proposed project was a tax-credit affordable housing project.

Commissioner Singh asked what the mode of payment was for the loan, and how many years it would take to repay the loan.

Ms. Colomello stated the repayments would come from residual receipts. Ms. Colomello stated that because of the Department of Housing and Urban Development (HUD) Section 202 funding, under which the operating subsidy would only meet the operating expenses, staff did not expect the loan to be repaid very quickly.

Commissioner Singh stated the funding was more like a grant and not a loan. Mr. Singh asked how much the seniors would be paying in rent.

Ms. Colomello stated the seniors would be paying 30% of their income, whatever their income was, toward rent, and the operating subsidy would ensure that the project could still operate, despite what staff anticipated to be very low rental payments from the seniors.

Commissioner Singh asked if the Agency had a list of potential senior residents.

Ms. Colomello stated a marketing plan would be developed and reviewed by the Agency and HUD, and for the units set aside for the homeless, some of those would be referred through the City's Department of Health.

Commissioner Singh noted that the proposed bond issuances totaled over \$82 million and asked how much bonded indebtedness the Agency had issued this year.

Executive Director Rosen stated that staff would prepare a report for the Commission. Ms. Rosen stated that the Agency was a conduit financier for the proposed bond inducement resolutions, which meant that the Agency would issue the debt, but that the debt would not be supported by tax increment and would not be a debt of the Agency. It would be a mortgage revenue bond supported by the project itself, and the Agency would just be the issuer, and the burden would not be upon the Agency and its resources.

Commissioner Breed stated she thought the project was exciting and that from personal experiences working with some of the organizations mentioned, she was glad to see the Institution on Aging and the In-Home Services were involved with the project. Ms. Breed stated that helping her grandmother look for affordable senior housing was a huge undertaking because she did not find a lot of resources for seniors. Ms. Breed stated she was concerned with the marketing and the type of seniors that would be allowed to take advantage of the affordable housing opportunity, and had a question in her mind as to how seniors would be chosen over others, because of the enormous number of seniors in need of affordable housing.

Ms. Colomello stated there would be an initial lottery for the available units, and in addition to Agency staff reviewing the marketing plan, the Agency would also review Mercy Housing's screening procedures in selecting residents to ensure that folks who apply and are eligible could get in.

Commissioner Breed stated she personally did not like any of the lotteries that the Agency conducted, and asked if there were other options that could be used for the proposed project.

Ms. Colomello stated that the process for the senior housing would have to comply with HUD rules and regulations, and the Agency had typically done lotteries where ample time was provided for applicants to submit applications, from which a lottery would be conducted.

Commissioner Breed asked if recommendations would come from the various senior groups supporting the proposed project, and if the recommendations would be put into the lottery along with everyone else.

Ms. Colomello stated that formal recommendations had already been made from the senior and other groups for the housing lotteries and had been incorporated in the Agency's review of the marketing plan.

Commissioner Breed stated she would like to be kept informed of the selection process, from beginning to end, and asked how much the property managers would be paid and where they would be hired from.

Ms. Colomello stated she did not have the salary information for the property managers, but that she assumed that Mercy Housing would hire new property managers, following a recruitment outreach process. Ms. Colomello stated she could ask a representative from Mercy Housing to speak on the matter of the property manager's salary.

Commissioner Breed stated she would like the information about the salary ranges for property managers.

Ms. Barbara Guako of Mercy Housing, stated she did not want to misrepresent the salary figures, because they did have the property manager classification with a salary range, and asked if they could obtain the information and provide it to the Commission. Ms. Guako stated with respect to the 9th and Jessie housing, the intent would be that both Mercy Housing and Catholic Charities would jointly hire the property manager to make sure that the person would work well both on the operations side and the supportive services side of the property.

Commissioner Breed stated she looked forward to the completion of the project and lent her support.

Commissioner Yee requested verification that the lottery system had been used for all affordable housing developments in all Project and Survey Areas. Mr. Yee asked how the lottery would be conducted given the fact that there would certainly be hundreds, maybe thousands of qualified applicants vying for the limited number of housing units.

Ms. Colomello stated there would be a public lottery, and the units set aside for homeless seniors would be referred through the Department of Public Health, and homeless folks for the family units through the Department of Human Services.

Commissioner Yee asked for further explanation about the public lottery, and asked if there would be people watching the lottery.

Ms. Colomello stated the lottery would be open to the public, but that people need not be present at the lottery as they would be notified if they were selected.

Ms. Guaco stated the lotteries would be open to the public and noticed, and typically, there would a group of people involved in the selection of the names, from neighborhood groups and others, but that most of the lotteries would not normally be highly attended by members of the public.

Commissioner Singh asked if the Agency was involved in the lottery and the selection of the names.

Executive Director Rosen stated the Agency and HUD would approve the marketing plan, which must meet all of the federal, state and local fair housing laws, and once the marketing plan was approved, Agency staff would attend the lottery to monitor the selection, but the actual lottery would be the responsibility of the project sponsor.

Commissioner Singh asked what homeless people with no incomes would pay in rent.

Executive Director Rosen stated that if people had zero income, they would pay zero rent. Ms. Rosen stated unfortunately, there were not many programs like the proposed housing, but one of the benefits of the federal senior housing 202 program, was that the federal government would pay the reasonable operating costs as an operating subsidy, so that the tenants would only pay 30% of their income regardless of their income, and the difference between the tenant contribution and the approved rent from HUD would be in a senior Project Rental Assistance Contract (PRAC), which was part of the federal housing program.

Commissioner Breed requested verification that certificate holders would have first preference for the housing units.

Executive Director Rosen affirmed that certificate holders would have first preference for the housing units.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 134-2006, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$18,179,038 WITH MERCY HOUSING CALIFORNIA XIIIIV, A CALIFORNIA LIMITED PARTNERSHIP AND AN AMENDED AND RESTATED GROUND LEASE, AND ALL ANCILLARY DOCUMENTS AS NECESSARY, WITH MERCY HOUSING CALIFORNIA, A NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF APPROXIMATELY 106 VERY LOW INCOME SENIOR RENTAL UNITS, AND ONE MANAGER'S UNIT, AT 66 9TH STREET, BLOCK 3508, LOT 54; MID-MARKET REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

President Peterson stated that without objection, there would be the same call for adoption of items 4 (g) and (h).

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 135-2006, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$27,330,000 TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES KNOWN AS NINTH AND JESSIE SENIOR HOUSING, BLOCK 3508, LOT 51; MID-MARKET REDEVELOPMENT SURVEY AREA; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 136-2006, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$37,650,000 TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES KNOWN AS TENTH AND MISSION FAMILY HOUSING; MID-MARKET REDEVELOPMENT SURVEY AREA, AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

- 4 (i) Resolution No. 137-2006, Approving revisions to the South Plan Area Streetscape Master Plan for the Mission Bay South Redevelopment Project Area and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Jacinta McCann (EDAW)

Commissioner King put forth a motion to adopt item 4 (i). Commissioner Romero seconded the motion.

Commissioner Covington stated she thought the project looked great and had an attractive design, and that she was glad to see there would be fall color during the appropriate time of the year. Ms. Covington asked staff to speak a little more about the proposed round-about, because they were not common in San Francisco, and asked if there would be posted signs as to who would have the right-of-way.

Ms. Amy Neches, Senior Project Manager, stated there was a round-about proposed that would be at the confluence of a new at-grade rail crossing to be constructed shortly, to connect both the Commons open space and Channel Street, which was part of the infrastructure plan adopted in 1998. Ms. Neches stated staff believed that the round-about had been well-engineered and was analyzed as part of the Environmental Impact Report, and that it would be functional and attractive. Ms. Neches stated there would be posted signs approaching the round-about.

Commissioner Covington inquired about the three different pole heights proposed.

Ms. Neches stated there would be 20- and 30-foot pole heights proposed, and some of the 20-foot poles were proposed to be changed to 30-foot poles, because there were places in certain streets where MUNI electric buses would traverse, and the taller poles would avoid the clutter and make the streetscape cleaner. The other area where the 30-foot poles would be installed would be along Fourth Street, which was the retail street, and the taller poles would allow them to be farther apart, and permit the installation of the anticipated retail signage. Ms. Neches stated in addition, street trees proposed along Fourth Street would also be planted farther apart in order to provide better visibility.

Commissioner Covington asked since there were no pre-existing streets in the area, how were the street names developed.

Ms. Neches stated the names for the particular streets were developed several years ago in consultation with former Mayor Willie Brown.

Commissioner Breed asked why there were no cherry blossom trees chosen for the proposed streetscape.

Ms. Neches stated a lot of different types of trees were chosen for the tough, windy environment, and the bad soil conditions because of the high water table, but some deciduous and evergreen trees were chosen, as well as some trees that change color that would thrive in the challenging environment.

Commissioner Breed stated she was concerned with the palm trees particularly along the Embarcadero, and with the windy conditions, two palm trees had already fallen, and she was concerned with the safety issues.

Ms. Neches assured the Commission that everything would be done to ensure the public safety.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 137-2006, APPROVING REVISIONS TO THE SOUTH PLAN AREA STREETScape MASTER PLAN FOR THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (j) Resolution No. 138-2006, Adopting a Formula Retail Policy for those portions of the Western Addition Redevelopment Project Area A-2 designated by the San Francisco Zoning Map as part of a Neighborhood Commercial Zoning District; Western Addition Redevelopment Project Area A-2

Presenters: Lisa Zayas Chien (Agency staff)

Speakers: Ace Washington

Commissioner Breed stated that since she was a resident of Western Addition, she wanted to know why she and residents were not notified of the Louisiana Fried Chicken establishment, which was a surprise to the community.

Ms. Gaynell Armstrong, Project Manager, stated staff found out about the Louisiana Fried Chicken establishment the same time as the community found out, and it did not come to the Agency for review. Ms. Armstrong stated that the Planning and Development subcommittee of the Western Addition Citizens' Advisory Committee (CAC) had an item on the agenda at their meeting one week ago. The actual name of the establishment is Happy Donuts, and the owner informed them that they were trying to

establish a food court and had gone to the Department of Building Inspection, but was advised to go the Agency. The Planning and Development subcommittee sent the matter to the full CAC's meeting scheduled for October 22nd.

Commissioner Breed stated this was one of things that continue to frustrate her about what was happening in the Western Addition community, but that she would move the item for adoption, because it was important to move forward with working with the City's Planning Department to establish a retail policy for the community.

Commissioner Singh seconded Commissioner Breed's motion to adopt item 4 (j).

President Peterson stated that personally, he was not typically in favor of what could be perceived as an anti-business policy, and thought that staff made a good point of recognizing that often times, although it could be tiresome to see Starbucks and Walgreens and other such retailers, they were a good source of employment locally, because they had the necessary capital to remain open through economic cycles and offer services to the community. Mr. Peterson stated he would defer to his fellow Commissioners from the Western Addition community, and the CAC's endorsement of the proposed policy.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 138-2006, ADOPTING A FORMULA RETAIL POLICY FOR THOSE PORTIONS OF THE WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2 DESIGNATED BY THE SAN FRANCISCO ZONING MAP AS PART OF A NEIGHBORHOOD COMMERCIAL ZONING DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (k)** Resolution No. 139-2006, Authorizing execution of personal services contracts with firms listed on a panel of surveying and mapping service panel firms for consulting services for a three-year period, on an as-needed basis, in a total aggregate amount not to exceed \$200,000 subject to the availability of funds; all redevelopment project areas, survey areas, and city-wide housing programs

Presenters: Su-Shin Chou (Agency staff)

Commissioner Breed puts forth a motion to adopt item 4 (k). Commissioner Romero seconded the motion.

Commissioner Yee stated that the aggregate amount of personal services contracts for a three-year period did not seem significant, and asked why the amount was for only \$200,000.

Executive Director Rosen stated that based on the Agency's experience for the past three-year period, the Agency spent significantly less than the \$200,000 amount, so the Agency only retained the services of the surveying firms when the need arises, which were usually small jobs, and staff was just estimating an outside amount.

Commissioner Yee stated he asked the question because normally, the Agency had sizable contracts, and stated that maybe, the kind of services sought did not dictate large expenditures.

Executive Director Rosen stated the Agency had various panels for specialized fields, and the Agency would use them on an as needed basis, which would be a relatively small amount. Ms. Rosen stated for example, when the Commission approved consulting contracts for the Pier 40 improvements, a specific Request for Proposals (RFP) was issued for the sizable contract. Ms. Rosen stated the proposed panel of surveying firms would provide the Agency with pre-qualified firms to do the small contracts on an as needed basis.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 139-2006, AUTHORIZING EXECUTION OF PERSONAL SERVICES CONTRACTS WITH FIRMS LISTED ON A PANEL OF SURVEYING AND MAPPING SERVICE PANEL FIRMS FOR CONSULTING SERVICES FOR A THREE-YEAR PERIOD, ON AN AS-NEEDED BASIS, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$200,000 SUBJECT TO THE AVAILABILITY OF FUNDS; ALL REDEVELOPMENT PROJECT AREAS, SURVEY AREAS, AND CITY-WIDE HOUSING PROGRAMS, BE ADOPTED.

4 (l) Workshop on the Hunters Point Shipyard Open Space and Streetscape Master Plan; Hunters Point Shipyard Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff), Patrick Vaucheret (SMWM), Kevin Conger (CMG Landscape Architects)

Commissioner Covington stated she thought the plan looked really good, and that she was enthusiastic about it, because it reflected a lot of hard work and thought. Ms. Covington stated she appreciated the fact that there had been a lot of community input and oversight. Ms. Covington stated she was particularly happy to see that the mature trees were being preserved, which was an earlier concern for her. Ms. Covington asked if barbeque grills would be provided in the picnic area, and if bicycle paths would be provided as part of the streetscape.

Mr. Kevin Conger of CMG Landscape Architects, stated they did not include barbeque grills in the picnic area due to the high winds prevalent in the surrounding area. Mr. Conger stated that the paths up and down the bluff areas would be multi-use pathways, but would not be the wider Class 1 bicycle paths, and that the bicycle paths on all of the streets would be Class 3 pathways, which meant that they would not be delineated and would be shared pathways.

Commissioner Covington inquired about the cultural and historical recognition program, and asked if there was a subcontractor working on that component specifically.

Mr. Steve Moreland from Lennar, stated they had been working with Mr. Miles Stevens in developing a cultural and historical recognition program, and that they were actively negotiating the requirements of the program. Mr. Moreland stated that Lennar had put a lot of effort into the open space plan, including a review of the requirements of the agreement with the Agency, reserved locations as well as the details of the interpretive program, and as they progressed through the master-planning process toward the schematic design phase, additional preliminary details about the cultural and historical recognition program would be presented.

Commissioner Covington stated she would like to see more of what Mr. Miles Stevens was proposing, and that she was hoping for some explanation about the name "Hunters Point," so that it was clear that the name was derived from two brothers whose surname was Hunter, and because there were two brothers, it was called "Hunters," without an apostrophe.

Mr. Moreland stated that one of the pathways, going down from Hillpoint Park to the Galvez stairs at the entrance of the Shipyard, might be appropriate, and they would certainly take Commissioner Covington's suggestion into account.

Commissioner Covington stated that one of the great things about Bayview Hunters Point was the wonderful weather, and there was one thing that was missing from the wonderful plans, which was a community garden, and asked if there had been discussions about a community garden in the Shipyard.

Mr. Moreland stated that currently, there was no community gardens planned in the open space areas that he was aware of.

Commissioner Covington stated the open space plan included lots of flower gardens and spaces for the community to gather, but no community gardens where people could actually plant vegetables on their own plots. Ms.

Covington stated there were so many wonderful community gardens around the City, and since the Shipyard enjoyed one of the best weather in the City, it would be great to have one.

Mr. Conger stated that when the framework plan was developed along with the various landscape types, community gardens was one of the types looked at, but as an ornamental garden. Mr. Conger stated the reason why it was not a vegetable garden was because of the underlying bedrock under the soil, which was serpentinite rock that has a naturally-occurring substance that would preclude planting of edible plants.

Commissioner Covington stated that there should be some barriers or buffers that could be put in place to separate the bedrock from the soil, and that had been done elsewhere in the City, so that the garden beds would be raised, which would be particularly helpful to the elderly and children. Ms. Covington stated her suggestion was something for Lennar to think about in order to take full advantage of the weather and the fact that most of the families in the community came from places where they had plots of land to plant vegetables, and community gardens would be a wonderful amenity for the Shipyard.

Commissioner Singh stated he thought it was a wonderful plan and that he looked forward to its completion, and asked what the estimated completion date was.

Mr. Moreland stated Lennar was focusing on the development of blocks along Innes Avenue, which were scheduled to begin construction in the middle of next year. Mr. Moreland stated that as the rest of the project progresses, Lennar would be committing to build, for example, the Innes Court and Hillpoint Parks, within several months of the completion of the roadway improvements on the hilltop. Mr. Moreland stated they also had a commitment for the Central Park to be developed upon completion of the roadway improvements, and Lennar was committed to building the open space as the development progresses. Mr. Moreland stated he did not have an estimated completion date as he did not have the exact project schedule with him, but that next year, Lennar would be constructing the infrastructure as well as the parks.

Executive Director Rosen stated that the larger parks would be built along with the horizontal development of the infrastructure, and the smaller parks within the residential neighborhoods would be built as part of the vertical development, so that they would not be disturbed during the construction. Ms. Rosen stated that the larger parks would be built before the vertical housing development begins, and the Agency looked forward to the open space amenities coming on line soon.

Commissioner Romero stated that the development schedule for the larger parks as part of the horizontal development was similar to what was taking place in the Mission Bay project area. Mr. Romero complimented all of the presenters for a very good workshop, and the attractive streetscape and open space plans. Mr. Romero stated he would be interested in what the CAC had to say about the plans, because the Agency valued their input and it was important to have their support. Mr. Romero stated the only detail he was concerned about was the comment that the bicycle paths would not be as wide as they could be and that bikers would share the pathways. Mr. Romero stated he would like to see dedicated and full-size bicycle pathways to accommodate not only the bikers, but also joggers, walkers, dogs, etc., to ensure safety.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Ace Washington

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen stated the Agency was recently informed that the Plaza Apartments had been chosen as the best special needs single-room occupancy project and would receive a prize from the Affordable Housing Finance, which was a national magazine.
- Executive Director Rosen announced the following public events:
 - Fillmore Big Band and BBQ Cook-Off on Sunday October 8th, from 10:00 a.m. to 7:00 p.m. at Kimball Park.
 - Mission Creek Senior Community Grand Opening on October 10th, 11:30 a.m. to 1:30 p.m., Berry Street in Mission Bay North.
 - BVHP PAC community-wide workshop to discuss the BVHP Redevelopment Plan, on October 10th, 6:00 to 8:00 p.m., Southeast Community Facility, 1800 Oakdale Avenue.

- Western Addition CAC community meeting to discuss the reuse of the Muni Substation building, on October 11th, 6:00 to 8:00 p.m., African-American Art and Culture Complex.
- Transbay Joint Powers Authority community meeting about the Transbay planning effort, on October 11th, 6:00 p.m., Fire Commission Board Room, 698 Second Street.

President Peterson shared that the Bloomingdale's project had its gala opening on September 27th, and public opening on September 28th, and stated it was a wonderful and a great addition to San Francisco's retail industry, and an exciting shopping destination. Mr. Peterson stated he knew he spoke on behalf of the Commission that the Agency was very proud of the completion of the project and a wonderful extension of the Yerba Buena Center project.

Executive Director Rosen stated she hoped the Commissioners saw the news article that was in the September 30th San Francisco Chronicle Business Section, about the South of Market Employment Center and the work they were doing with Bloomingdale's. So far, over 400 jobs had gone to residents that they had referred and trained, with more on the way, so the partnership was working beautifully.

President Peterson stated he hoped that the Bloomingdale's project and its success would become a catalyst for the Mid-Market Redevelopment Plan, which the Commission did adopt earlier in the year, to be moved forward by the Board of Supervisors, so that the Agency could help become a catalyst for a lot of other projects like the Bloomingdale's, as well as residential and community-based projects in the Mid-Market area.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Breed stated she was really honored to serve with her fellow Commissioners on the Agency Commission, and that she was very excited about the work the Agency was doing to benefit the various communities it served. Ms. Breed stated all of the streetscape work and developments were just amazing, and for example, the recent ribbon-cutting for the Harbor Services Building in the Rincon Point – South Beach project area was something she enjoyed and was proud to be a part of. Ms. Breed stated that as exciting as the Agency's present and future was, when she looked at the Agency's past, she still saw problems especially in the Western Addition, and although she was happy at times, she was also disappointed when she walked through the Safeway parking lot and saw the lack of maintenance that was simply disgusting. Ms. Breed stated she wanted to bring up the issue because she did not

know if there was anything that the Commissioners could do, given the fact that the some of the projects following the Commission's award and completion, were sometimes neglected and results in a negative impact upon the community. Ms. Breed stated she just wanted the Commission, as it approved the various projects, to think about the long-term impact on the residents of the various communities, and to ensure that the projects benefited the communities. Ms. Breed stated as a native Western Addition resident, she understood that the Agency's jurisdiction in the Western Addition would end soon, and while an exit strategy was being developed, and a lot time, money and energy was being spent in the Western Addition, she did not feel confident about what was happening at the present time. Ms. Breed stated she did not feel confident about decisions and activities that were being made, and as a Redevelopment Agency Commissioner, she felt powerless to do anything about the situation, because she had previously asked for the streets to be cleaned, requested façade guidelines and other things to make the neighborhood look better, and it was frustrating that nothing seemed to happen. Ms. Breed stated she would suggest that a smaller group of Commissioners be formed to deal directly with the Western Addition to ensure that the things they want to see happen in the Western Addition, before the redevelopment plan expired, would be done to the Commission's satisfaction, because she would not be proud if she left the Agency Commission and did not do everything possible to make the Western Addition a better neighborhood before the Agency's jurisdiction expired. Ms. Breed stated she wanted the Commission to form a smaller group of Commissioners to discuss the nuts and bolts of improving the Western Addition.

- Commissioner Breed requested an update on the Third and Newcomb Pilot Model Block program. Ms. Breed stated that the lottery system for the Agency's affordable housing program was disturbing to her, because she did not feel that African-Americans benefited from the Agency's lottery system. Ms. Breed stated she knew that the lottery system was not necessarily biased, and that certain ethnicities were not chosen, but that she noticed some discrepancies with the Agency's affordable housing, in terms of African-Americans having opportunities with some of the Agency's lottery systems, and she wanted the other Commissioners to think about the matter. Ms. Breed stated she would be thinking about ideas and other ways to maybe reform the lottery system, to ensure its fairness.
- President Peterson stated he would follow-up with Commissioner Breed specifically on the Western Addition issue, and perhaps, at Commissioner Breed's suggestion, a committee of the Commission could be formed to look into the issues raised.

- Commissioner Yee stated he totally agreed with Commissioner Breed's statements, but that he would suggest, on the issue of the street cleaning, to request the Department of Public Works to come in and clean the streets as they had done for other neighborhoods in the City, however, keeping the streets maintained would be up to the community itself, but the Agency and City could help out.
- Commissioner Romero stated he wanted to follow-up on a couple of things mentioned by Commissioner Breed, that in his nine years on the Commission, he did not recall ever hearing from anyone that the lottery system was not fair. Mr. Romero stated he would like to know if there were any statistics about the lottery system, and assumed that it was fair, because he had never heard from the people chosen in the lottery, nor the advocates from the various communities, say that the lottery system was unfair. Mr. Romero stated he did not even know the details of how the lottery was conducted, but if there are concerns, the Agency should investigate to see if the way it had been done had resulted in some biased end result. Mr. Romero stated that maybe the lottery system was not getting a cross section of people, and if that was true, those issues should be based on the facts as best as that could be determined, as opposed to individual perceptions. Mr. Romero stated one of the things to realize was that the Agency's powers had limitations, and it was true that folks come before the Commission and make wonderful presentations, and then after a couple of years, the Agency would hear complaints. Mr. Romero stated he would like to know more about how the lotteries were conducted, but that it was important for the Commissioners to exercise their best judgment, and to be as honest and objective about the decisions they made.
- Commissioner Covington stated concerning Commissioner Breed's comments on the lottery, and although she did not want to speak for her (Ms. Breed), Commissioner Breed may have been alluding to not the process being somehow tainted or wrong, but definitely the outcome, and that this had to do, perhaps, with outreach, that maybe there has to be a lot more outreach done in the African-American community, and that the Agency perhaps, was not doing as much as it could. Ms. Covington stated if names were not submitted to the lottery, it could not be pulled, and if there was an overwhelming number of people from one community applying, then more people logically, from that community would be selected. Ms. Covington stated there were some entities in the City that hold workshops for recent immigrants from Bosnia Herzegovina, to apply for these types of programs, and there were some fifth, sixth and seventh generation African-American families in the City who were not privy to the information because they did not go the institutions that would help them through the process. Ms. Covington stated that for her, it may be a problem of outreach, and not of process,

because the lotteries as far as she knew, once a name is in, the process had worked fairly from that point, but that getting people to submit applications so that their names could be included, that seemed to be the problem. Ms. Covington stated with regard to the exit strategy for the Western Addition, it was a matter that was very near and dear to their hearts, to see that strategy spelled-out before the final months when the Agency's jurisdiction would expire, and that she brought the issue up at the Commission's retreat, which was held nine months ago, and this was an ongoing concern for her. Ms. Covington stated as to how the Commission would handle Commissioner Breed's suggestion of forming a subcommittee of the Commission, she did not know of the precedents for forming such a subcommittee. Ms. Covington stated that she wanted to see what the Agency's plans were for exiting the Western Addition between now and the sunset of the redevelopment plan, and that she would urge that to happen sooner, than later.

- President Peterson stated he would follow-up with the Executive Director on the issue.

Executive Director Rosen stated staff had been working with the Chair of the Western Addition CAC to schedule a workshop on the exit strategy as Commissioner Breed had requested, and the CAC was scheduled to hear an outline of the proposed report and plans, at its October 12th meeting. Ms. Rosen stated staff had been working very hard to calendar the matter on the CAC's agenda, and that staff was very cognizant of the Commissioners' concerns, and she was available to speak with any Commissioners to work with them on the issues.

- Commissioner Yee stated he would strongly recommend that the project sponsor invite Commissioners to come to the lottery selection, because witnessing the process would help the Commissioners understand it better.


Executive Director Rosen stated she would make sure that Commissioners were invited to the lottery selection. Ms. Rosen stated regarding Commissioner Covington's comments, the outreach plan would be part of the marketing plan that the Agency would approve. For example, when the senior housing was opened in the Bayview, there was a long period of time where the project sponsor went to churches, senior centers, and community groups to make sure that Bayview seniors had help filling out applications, which enabled them to get into the lottery. Ms. Rosen stated that the lottery was deemed by fair housing experts to be the most fair approach, but it was the question of making sure that the right groups had the information with ample time to ensure that seniors would have the necessary assistance. Ms. Rosen stated staff would work with project sponsors to make sure that those matters were covered in the marketing plan.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:42 p.m.

Respectfully submitted,


Erwin R. Tanjaguo
Agency Secretary

APPROVED:

October 17, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
17TH DAY OF OCTOBER 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of October 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Darshan Singh
Benny Y. Yee

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And the following were absent:

Ramon E. Romero

Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of October 3, 2006

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. ROMERO AND MR. SINGH ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF OCTOBER 3, 2006, BE ADOPTED.

REGULAR AGENDA

- 4 (b) Resolution No. 140-2006, Authorizing a First Amendment to the Personal Services Contract entered into as of July 17, 2006, by and between the Agency and Grace S. Yip in an amount not to exceed \$25,000, for a cumulative total contract amount not to exceed \$75,000, to perform certain tasks in connection with the Agency's financial statements for fiscal year ending June 30, 2006, and to provide other related services as needed

Presenters: Mario Menchini (Agency staff)

Commissioner Covington asked if a permanent replacement for Ms. Grace Yip had been found.

Mr. Mario Menchini, Senior Financial Analyst, stated that staff was still searching for a replacement, and that he believed interviews were scheduled for next week.

Commissioner Covington requested verification that the next audit would be performed by permanent staff.

Executive Director Rosen and Mr. Menchini both affirmed that the next audit would be performed by permanent staff.

Commissioner Covington put forth a motion to adopt item 4 (b).

Commissioner Yee stated he did not know that Ms. Grace Yip had retired, but that he knew that Ms. Yip was a good employee of the Agency. Mr. Yee stated it would be good if the Commission was informed of such things. Mr. Yee seconded Commissioner Covington's motion to adopt item 4 (b).

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. ROMERO AND MR. SINGH ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 140-2006, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT ENTERED INTO AS OF JULY 17, 2006, BY AND BETWEEN THE AGENCY AND GRACE S. YIP IN AN AMOUNT NOT TO EXCEED \$25,000, FOR A CUMULATIVE TOTAL CONTRACT AMOUNT NOT TO EXCEED \$75,000, TO PERFORM CERTAIN TASKS IN CONNECTION WITH THE AGENCY'S FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2006, AND TO PROVIDE OTHER RELATED SERVICES AS NEEDED, BE ADOPTED.

- 4 (c) Resolution No. 141-2006, Authorizing (1) a Second Amendment to the Disposition and Development Agreement-Hunters Point Shipyard Phase I between the Redevelopment Agency of the City and County of San Francisco and Lennar-BVHP, LLC, (2) compilation of all approved amended provisions in an Amended and Restated Disposition and Development Agreement -Hunters Point Shipyard Phase I, and (3) adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area

Executive Director Rosen recognized Mr. Michael Cohen, Director of the Mayor's Office of Base Reuse and Real Estate Development, Ms. Amy Brownell from the Department of Public Health, and Ms. Elaine Warren from the City Attorney's Office, and that they would be available to answer Commissioners' questions.

Presenters: Nicole Franklin (Agency staff), Michael Cohen (Mayor's Office of Base Reuse and Real Estate Development)

Speakers: Anita Merrihew, Linda Richardson, Lynne Elman, Darryl Bishop, Oscar James, Randall Evans, Rev. Arelious Walker, Ed Donaldson, Al Norman, Angelo P. King, Ace Washington

Commissioner Breed commended Ms. Nicole Franklin and Agency staff for their hard work, Lennar and Mr. Kofi Bonner, and that she knew that Lennar was heavily involved in many different community activities in San Francisco, and that she appreciated Lennar's partnership and generosity in the Shipyard. Ms. Breed stated she also wanted to commend Mr. Michael Cohen who had always been diligent in his work with the community on

base reuse issues. Ms. Breed stated she wanted to especially commend the hard work of the Hunters Point Shipyard Citizens' Advisory Committee (CAC) because she knew what dedication it required to serve on CACs as they were not paid to do the dedicated work they did to serve the community. Ms. Breed asked members of the CAC in attendance to be recognized. Ms. Breed asked Mr. Cohen to elaborate on the size of the housing units.

Mr. Michael Cohen, Director of the Mayor's Office of Base Reuse and Real Estate Development, stated there had been a lot of discussion with the CAC and community about housing unit sizes. Mr. Cohen stated in San Francisco, the Department of Children, Youth and their Families (DCYF) considered family-friendly housing to be two- and three-bedroom units, and not studio and one-bedroom units, and that roughly 15% of new real estate development came in at family-friendly unit sizes. Mr. Cohen stated for example, the City had encouraged in Treasure Island to have 30% of the housing units to be family-friendly unit sizes. It turned out under the current anticipated unit-mix, 55% of the units in Phase I of the Hunters Point Shipyard would be of family-friendly unit sizes, along with the inclusion of parks and other amenities. Mr. Cohen stated the discussion from the CAC had been to provide more than 75% of the affordable housing units to be the larger three- and four-bedroom units, in recognition of the presence of inter-generational families not only in Bayview, but elsewhere in the City. Mr. Cohen stated the City and developer team were committed to continuing the discussion with the Agency Commission and the CAC, as vertical development proposals are brought for the Commission's consideration of the major phase application process, similar to Mission Bay.

Commissioner Breed stated she was glad to see the conversion of the rental units into for-sale units because it was important to promote homeownership in San Francisco as a means of investing in the City's communities. Ms. Breed stated she was excited about the opportunities, but that she was still concerned with gentrification in Bayview Hunters Point, and what plans there were to attract African-Americans, and asked if there were any efforts to do outreach to the community besides the work of the San Francisco Housing Development Corporation that would provide in-depth assistance and aggressive outreach to members of the Bayview Hunters Point community.

Mr. David Sobel, Senior Development Specialist, stated for the past year, the Agency had a very intense and aggressive marketing and outreach campaign for the three zip codes surrounding the Shipyard, 94124, 94132 and 94107. There had been monthly first-time homebuyer training, which were not only for the affordable units, but also for the market-rate component of the Shipyard, and the trainings were an initial introduction to what would be necessary to prepare for the housing opportunities that would

come on line in a year or a year and a half. Mr. Sobel stated the notion was to start getting people ready now for the housing opportunities later, and after the introductory workshops, which were noticed through flyers, mailings, notices to non-profit organizations and all of the different housing counseling organizations in the City, including Mission Economic Development Association, San Francisco Housing and Development Corporation (SFHDC), Consumer Credit Counseling and Asian Inc. Mr. Sobel stated following the notices, people would come to the introductory workshops to get familiar with preparing for homeownership opportunities, and then, would be invited to participate in workshops sponsored by Lennar and SFHDC for group trainings, which would go into more detail about credit counseling, and setting aside down payment, and would then be encouraged to participate in one-on-one counseling sessions with housing counselors, all with the goal of getting them ready when the time comes to apply for the housing opportunities. Mr. Sobel stated the heaviest outreach at the present time was in the immediate vicinity outside the Shipyard, to ensure the community's awareness of the forthcoming housing opportunities.

Commissioner Breed stated she would like to have statistics on the number of attendees at the workshops, the areas they presently lived in, and the estimated ratio and breakdown of the groups.

Mr. Sobel stated the information would be forwarded to the Commission.

Commissioner Breed stated she was not yet on the Commission when the environmental analysis was performed for the Shipyard, and wanted to know if there was information about the air quality issues in the Shipyard that could be provided to the Commission, because of the reported high rates of cancer and asthma among residents of the Bayview Hunters Point.

Ms. Amy Brownell from the Department of Public Health (DPH), stated she did not have the information with her, but that she could provide the Commission with information both from DPH studies and data from the Bay Area Air Quality Management District, which is the State agency responsible for air quality in the San Francisco Bay Area region.

Commissioner Breed stated she thought this was a really great project, and that she was excited about the opportunities it would bring to the community, but she was wondering if there were concerns expressed by members of the CAC or the public about accessing the location of the International African Marketplace because it seemed isolated.

Mr. Cohen stated that the International African Marketplace was almost a monthly topic at the CAC meetings. When the Disposition and Development Agreement (DDA) was first approved, the idea was there

would be an interim African Marketplace in the Shipyard, which would be small, but would ultimately lead to a permanent marketplace slated for Parcel C in the Shipyard. Mr. Cohen stated that the team had realized as they went deeper into the development process, the site that was chosen was right in the middle of heavy construction activity, not only by Lennar, but also the United States Navy which was spending about \$70 million a year on the environmental remediation of the other parcels. Based on that, the decision was made this year to take the resources that would go to the establishment of the interim marketplace in the Shipyard and combine them with activities that were taking place on Third Street. Mr. Cohen stated that in fact, what they had discovered was that the marketplace location in the Shipyard was in some respects, competing with a farmer's market in the area of the Bayview Opera House and other activities on Third Street, which they were trying to encourage. Mr. Cohen stated the marketplace had moderate success in its first year and thought that Supervisor Maxwell would say she wished there was more attendance, but that there is a commitment during the interim period of the next three to five years when a lot of construction activity would be taking place, to put Lennar's resources to work on an appropriate site that could be combined with the other ongoing activities. Mr. Cohen stated they expected a spirited discussion in the community about the marketplace, and if there were changes proposed, the matter would be brought to the Commission for its consideration.

Commissioner Breed thanked Mr. Cohen for the information, and put forth a motion to adopt item 4 (c).

Commissioner Yee stated he was pleased to see the Shipyard's progress, and recalled that when he was the Commission President in 1999, the Commission awarded the Shipyard project to Lennar, and although the Commission was very proud of the project, he thought that the project moved slowly in the past seven years. Mr. Yee stated the Commission appreciated the hard work of the CAC, Lennar and Agency staff, and asked if there was any way of expediting the project.

Mr. Cohen stated the single biggest factor in the delay of implementing the project was because the land was not conveyed by the Navy to the City until the beginning of 2005. Mr. Cohen stated the Agency and the City did the work on their end so that the day the land was conveyed from the Navy, they were ready to go, and urged Commissioners if they had not been to the Shipyard recently, to visit and see the remarkable demonstration of an enormous construction project, with over 3 million cubic feet of dirt being moved around. Mr. Cohen stated he believed that Lennar, the Agency and City staff, once the land was conveyed, had been working steadily and at a good pace, and as more parcels are conveyed, they would be ready to proceed.

Commissioner Yee thanked Mr. Cohen for his response, and seconded Commissioner Breed's motion to adopt item 4 (c).

Commissioner Covington stated it was obvious that a lot of hard work by a great number of people had transpired to get the Shipyard project to this juncture and wanted to acknowledge the efforts. Ms. Covington inquired about the International African Marketplace, and asked what had been the response from the public and if they were enthusiastic about it.

Mr. Cohen stated there was quite a bit of enthusiasm about the idea, but that the execution was hampered because of the site conditions. Mr. Cohen stated although the inaugural event for the marketplace held about a month and a half ago on Third Street was fairly well-attended, there was recognition that there was still a lot of work to be done due to the fact that the selected site was not going to work. Mr. Cohen stated one of the requests from the CAC was that in the next three months, well in advance of the next annual event, to have a clear plan, which could be brought to the Commission, as to how to best utilize the marketplace. Mr. Cohen stated he thought the enthusiasm about the idea was tremendous from Supervisor Maxwell to a number of community leaders, but there was a lot work to be done on the execution of the idea.

Commissioner Covington asked what the driving reason was for removing Parcel B1 from the Phase I development.

Mr. Cohen stated when the DDA was executed in 2003, the City team anticipated getting Parcel B around this time, and of course, the remediation work was taking more time. In some respects, it should not come as a surprise because there was not a single Navy schedule they knew of related to the cleanup of the Shipyard that had actually stayed on schedule during its long development history. Mr. Cohen stated the Navy was continuing to do more cleanup work than originally anticipated, which was a good thing, and was only possible due to the tremendous assistance of Congresswoman Pelosi that resulted in a conveyance agreement that was instrumental in the Hunters Point Shipyard getting more money for its cleanup than any closed military base in the Navy's base closure system. Mr. Cohen stated the tremendous amount of work that needs to be done would take a longer time, and the City team had continuing discussions with Congresswoman Pelosi's staff to figure out ways of expediting the project and to obtain more resources on the regulatory side.

Commissioner Covington inquired about the 58 units designated as developer for-sale units at 50% of Area Median Income, and asked if the units would be spread out through the parcel, or would the units be in a particular section, and would the units be distinguished as affordable units.

Ms. Nicole Franklin, Project Manager, stated the units would be spread out through the entire development, and all of the units would have the same finishes and amenities as the market-rate units.

Commissioner Covington requested that copies of Ms. Franklin's presentation be provided to the Commission. Ms. Covington asked about the monthly updates requested by the CAC.

Mr. Cohen stated the CAC had requested monthly updates of all data with respect to the numerous community benefits programs, including small business assistance, jobs and hiring programs, and contractor's assistance programs, and that the updates be provided in a comprehensive monthly report. Mr. Cohen stated through the hard work of Ms. Vanessa Henlon at the City Attorney's Office, they were able to gather data to monitor Lennar's compliance with the community benefits programs, particularly with reporting requirements as well as to acknowledge successful programs such as Lennar's protégé and mentorship programs. Mr. Cohen stated they agreed to provide the comprehensive monthly updates to the CAC.

Commissioner Covington stated she did not want to speak for her fellow Commissioners, but that she would also like to receive the monthly updates on a regular and timely basis. Ms. Covington inquired about local contracting opportunities, and asked if there was a time requirement for businesses to be eligible to be considered as a local business enterprise, and if the business could be a franchisee and part of a larger corporation.

Ms. Franklin stated she believed that a business must have been established for three years in the Bayview Hunters Point to be considered as a local business enterprise. Ms. Franklin stated she did not believe that a business could be a franchisee.

Mr. James Fields, Contract Compliance Supervisor, stated that actually, a business must have been established for six months in the Bayview Hunters Point to be considered as a local business enterprise.

Commissioner Covington asked if a business had been located in the Bayview for six months, would the business be required to show some proof of commitment to the community, like signing a long-term lease.

Mr. Fields stated the business must have a standing lease and ownership of the business to be considered local.

Commissioner Covington asked how the Agency would mitigate the potential influx of businesses into Bayview resulting from business opportunities in the Shipyard.

Mr. Fields stated he did not have an answer to Commissioner Covington's question, but with the projected growth in the Bayview through the Shipyard project, there would be free market movement where businesses might establish satellite offices in the Bayview to avail of the business opportunities.

Commissioner Covington stated she understood the free market enterprise, but she was concerned that long-time local businesses in the Bayview that had been struggling might be overlooked in the business opportunities.

Ms. Joanne Sakai, Deputy Director for Community and Economic Development, stated she wanted to inform the Commission there was a lot of discussion with the CAC on the subject when the suite of community benefits was being negotiated, and on one hand, the Agency wanted to encourage free enterprise and the multiplication of new businesses in the Bayview, but also to provide the first opportunity to local residents and businesses. Ms. Sakai stated the details of the local business preference were part of the Community Benefits Agreement, and additional information could be provided to the Commission.

Commissioner Singh stated he wanted to congratulate Mr. Michael Cohen and Agency staff for doing a great job on the Shipyard, and that he also wanted to congratulate Commissioners King and Yee for voting to award Lennar the Shipyard project in 1999. Mr. Singh stated he was very happy to see the steady progress in the Shipyard project.

Commissioner King congratulated Lennar and Agency staff after many years of hard work on the Shipyard, as well as former Commissioners who spent many long hours in meetings to get the Shipyard project going. Mr. King stated he remembered the early work of former Agency staff in Bayview, including Bill Keller, Gene Suttle and Earl Mills. Mr. King stated he also wanted to congratulate Mr. Roy Willis who had been with Lennar since the Shipyard project started, and Mr. Kofi Bonner who recently joined Lennar. Mr. King stated he thought of one former Commissioner who was on the Commission during the early years of the Shipyard project, Ms. Chris Palamountain, who spent hours, days and nights pouring over every detail of the agreement with Lennar to ensure the best project for the community, so although he appreciated the questions from Commissioner Covington, he wanted to point out that the previous Commission worked very hard to bring the Shipyard to its present status. Mr. King stated he just wanted to inform his fellow Commissioners that the previous Commission did its due diligence and made responsible decisions about the Shipyard project. Mr. King commended Mr. Michael Cohen for doing an outstanding job.

President Peterson stated he was glad to see the City team. Lennar and the community come to an agreement, which required everyone's cooperation and hard work, in particular Mr. Michael Cohen and Agency staff for their hard work in negotiating a more workable arrangement with Lennar. Mr. Peterson thanked Mr. Kofi Bonner for helping facilitate those negotiations.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 141-2006, AUTHORIZING (1) A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT-HUNTERS POINT SHIPYARD PHASE I BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND LENNAR-BVHP, LLC, (2) COMPILATION OF ALL APPROVED AMENDED PROVISIONS IN AN AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT -HUNTERS POINT SHIPYARD PHASE I, AND (3) ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT: HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (d) Workshop on the Streetscape and Open Space Plan for the Transbay Redevelopment Project Area; Transbay Redevelopment Project Area

Presenters: Mike Grisso (Agency staff) Lisa Padilla (Zimmer Gunsul Frasca), Marta Fry (Landscape Architect)

Commissioner Breed stated she frequently walked City streets and sometimes, she had difficulty walking on sidewalks with pavers, and although the streetscape design was great, she wanted to know if there were any plans to fill-in gaps on the sidewalks.

Ms. Lisa Padilla of Zimmer Gunsul Frasca Partnership, stated the sidewalks would be fully paved with hard-surface materials with thin scoring so as not to create tripping hazards. There will be occasional cobble stone sets, which would be small, but there would not be any soft or permeable surfaces in the major walking zones, except around tree wells and planted or grassy areas in the proposed parks.

Commissioner Breed referred to page 68 of the Transbay Streetscape and Open Space Concept Plan, which showed the bicycle racks and trash receptacles, and pointed out that the sidewalk pavers shown was what she was concerned with potential tripping hazards.

Ms. Padilla stated the illustration on page 68 was mean to show the bicycle racks proposed to be used, and not the particular style of paving material.

Commissioner Breed stated she thought the proposed streetscape design was great, and when visiting Washington, D.C. and New York, she was always envious of those cities' transit stations with amenities such as gift shops, and that she was really looking forward to the Transbay project particularly with the proposed landscaping in an area of downtown San Francisco that was known for a lot of concrete surfaces.

Commissioner Covington stated it was good to hear about the 1,000 new trees proposed to be planted in the area. Ms. Covington inquired about the Lombardi Poplars, and asked if those were the same trees that used to be at the United Nations Plaza across City Hall, and if they were fast-growing trees.

Ms. Marta Fry of Marty Fry Landscape Associates, stated that the Lombardi Poplar was considered by many to be a pest tree because they are fast-growing trees. Ms. Fry stated the trees were proposed for the area around Folsom and Fremont Streets because that area was considered as a gateway to the Transbay area, and the fast-growing Lombardi Poplars would anchor that area, but that they would not be planted near residential development. The trees have a life span of about 30 years and were recommended because they were considered as gateway trees and would do well in urban conditions.

Commissioner Covington stated she would agree that Lombardi Poplars were pest trees because they were removed from the United Nations Plaza and other areas in the City and that she did not want to be building obsolescence with plant materials in Transbay.

Ms. Fry stated she believed that all of the plant materials had been carefully considered, and that part of the tree improvement program depended upon structural soil and irrigation, which was essential in urban environments as they discovered in Mission Bay and along The Embarcadero.

Commissioner Covington stated she was curious if there was another tree proposed for the gateway area.

Ms. Fry stated the areas where the Lombardi Poplars were proposed were edge areas that were not really accessible, and it was desirable to have a fast growing tree species.

Commissioner Covington stated that the proposed benches were good to look at, but that she was concerned with the perch seating because there were no backs for people who would have difficulty sitting for long periods of time, like the elderly waiting for a bus. Ms. Covington stated the illustrations of the perch seating on page 68 (of the Transbay Streetscape and Open Space Concept Plan) was very sleek in design, but the illustration

of perch seating in London had a backrest, which was the bus shelter itself, and San Francisco had the same with its Muni bus stops.

Ms. Padilla stated there was a continuing redesign of street furniture throughout the industry, and they had looked at a variety of perch seating to provide a wide range of choices, and the perch seating was proposed for primarily transit stops where people did not have to sit for a long time, but in areas where people were encouraged to linger and socialize, the more traditional bench seating would be provided. Ms. Padilla stated one of the challenges they thought about was how to balance the need to provide the public amenities, but not to make it so attractive that people would linger for hours, even overnight.

Commissioner Covington stated Ms. Padilla confirmed her suspicion that the seating was meant to be attractive, but not to be too comfortable, which did not seem too hospitable.

Mr. Mike Grisso, Project Manager, stated staff had discussions about the issue with the CAC, and there was a desire by the community and people already residing in the area to not create long-term seating on public streets and parks. Mr. Grisso stated the intent was to create a balance of seating furniture that would include some with low backs and some perch seating.

Commissioner Covington asked if staff envisioned Transbay to be a neighborhood of primarily young people.

Mr. Grisso stated staff envisioned Transbay to be a neighborhood with a mixture of people along with the proposed range of housing types in low-, and high-rise buildings with the proposed 1,200 affordable housing units. Mr. Grisso stated there was a trend beginning with high-rise housing for “empty-nesters” and for older people with family members that had moved-out, and staff expected there would be wide diversity of households in the neighborhood.

Commissioner Covington stated that her concern about the perch seating was not just comfort, but also public safety because the proposed perch seating would not be appropriate for young children and the elderly, as some balancing would be required to sit.

Commissioner Breed stated she also wanted to share her discomfort with the proposed benches or seating furniture because she recalled when she was on crutches, it was very uncomfortable to sit on most of the street furniture. Ms. Breed stated she thought about seniors and disabled people who may not be able to use the perch seating, and that she would prefer to see other options for street furniture other than what was proposed in the Concept Plan. Ms. Breed stated she also wanted staff to carefully consider the

compatibility of proposed uses in new districts because she recently attended an outdoor evening arts event at the Yerba Buena Gardens that included music, and the music was stopped because of complaints from residents at the nearby St. Regis condominiums. Ms. Breed stated it was her understanding that the Yerba Buena Gardens was created to be an attraction for the arts district and the Agency should take into consideration the compatibility of such uses with residential uses.

Ms. Covington referred to page 14 of the Concept Plan and noted illustrations 5 and 6 that showed examples of a storm water parkway and a drainage trough from Portland, Oregon, and stated that the proximity to narrow walkways presented potential tripping and falling hazards.

Ms. Padilla stated that some of the streetscape elements proposed in Transbay were part of including sustainable features, which were still in some respects, at experimental stages with a lot of case studies being conducted all over the country. The examples were from the northwest, in Seattle and Portland, where they had done case studies for streetscape sustainable strategies for both residential and mixed-use areas. Ms. Padilla stated the illustrations were included in the Concept Plan to show examples of potential options for the streetscape in Transbay, and the illustrations were not distinctly shown for specific locations within Transbay, but just as examples of options that would be available as the process moved beyond the conceptual stage.

Commissioner Covington stated she thought it was a great design, and thanked Ms. Padilla for her responses.

President Peterson stated that Commissioners Breed and Covington brought up good points about the seating and urged staff to continue to refine the work on street furniture. Mr. Peterson stated he was pleased to see the progress and thanked everyone for the wonderful presentation.

Commissioner Secretary Erwin Tanjuaquio called Agenda Item 4 (e), Workshop on Ethics Standards and Conflict of Interest requirements.

Commissioners Covington, Singh and Yee stated that they had already attended the Ethics training conducted by the City, and that they did not have to participate in the Agency's workshop.

Executive Director Rosen suggested that the Commission consider discussing the remaining items on the Agenda including the Closed Session matter, and then reconvene to conduct the workshop on Ethics Standards.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT THE COMMISSION DISCUSS THE REMAINING AGENDA ITEMS 5 THROUGH 10, AND TO RECONVENE TO DISCUSS AGENDA ITEM 4 (e) WORKSHOP ON ETHICS STANDARDS AND CONFLICT OF INTEREST REQUIREMENTS.

5. MATTERS NOT APPEARING ON THE AGENDA None.
6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.
7. REPORT OF THE PRESIDENT None.
8. REPORT OF THE EXECUTIVE DIRECTOR None.
9. COMMISSIONERS' QUESTIONS AND MATTERS None.
10. CLOSED SESSION

- 10 (a) Pursuant to Government Code § 54956.8 to confer with the Agency's real property negotiators in connection with how to proceed on lease negotiations with Bindlestiff Studio for the theater space in the Plaza Apartments; South of Market Redevelopment Project Area. Agency negotiators: Marcia Rosen, Joanne Sakai, Mike Grisso.
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Note: At this time, approximately 7:31 p.m., the Commission resumed discussion of Agenda Item 4 (e), Workshop on Ethics Standards and Conflict of Interest requirements.

- 4 (e) Workshop on Ethics Standards and Conflict of Interest requirements

Presenters: Penny Nakatsu (Agency staff)

Commissioner Breed stated that when she first started on the Commission, she was not familiar with the Disclosure Policy and the information was not communicated to her, and asked how a Commissioner would disclose the outside communication, and that the information should have been provided when she was sworn in as an Agency Commissioner.

Ms. Penny Nakatsu, Deputy General Counsel, stated that the information about the Disclosure Policy should have been communicated to Commissioner Breed when she was sworn in. Ms. Nakatsu stated she apologized if the information was not provided.

Commissioner Breed stated the information about the Disclosure Policy was provided to her later on, but that she wanted to know if she should now make a list of all the outside contact and submit it, and asked what the process was for disclosing the communications.

General Counsel James Morales stated that first of all, the interest behind the policy was in disclosing communication(s) before a vote of the Commission was taken, and after a vote was taken, the interest of the policy would not be as strong, and he did not know if there was any way to correct past non-disclosure of outside communications.

Commissioner Breed stated she had been keeping track of the outside communications she received, because it was her understanding that she was supposed to submit them with her Statement of Economic Interest, Form 700 each year, and asked if she was supposed to submit the communication(s) each time she received one.

Mr. Morales pointed to Section 2 of the Disclosure Policy, which states "No Agency Commissioner or Officer shall make, participate in making, or otherwise attempt to influence a Commission decision about which the Agency Commissioner or Officer has knowingly had an Outside Communication that has not been reported as described herein." Mr. Morales stated the obligation was that a Commissioner was not supposed to take action if the Commissioner had an outside communication that was not reported. Mr. Morales stated Commissioners were supposed to report the outside communication before taking an action, for example, if a Commissioner received a call from a lobbyist on a matter before the Commission, the Commissioner should either fill out the disclosure form and submit it to the Commission Secretary, or report the communication orally by stating who called about a matter before the Commission.

Commissioner Breed asked if it mattered that a Commissioner did not respond or engage in a conversation with the person calling.

Mr. Morales stated that if a Commissioner received information such as a letter, which the Commissioner need not respond to, but if the Commissioner read the letter, that would be considered an outside communication. Mr. Morales stated that the Commissioner's level of responsiveness to the communication was not the issue, rather it would be whether the Commissioner heard or received the communication.

Commissioner Breed stated she would be curious as to how other Commissioners disclosed their outside communications, because she had just been writing the communications she had received on the forms, and that she would turn them in with her Statement of Economic Interests.

Commissioner Yee stated he recalled that the Commission adopted certain rules some years ago when Mr. James Morales was the Executive Director, and that the Commission's vote was four to three. Mr. Yee stated the Commission should revisit the rules so that the new Commission could discuss them, because the newer Commissioners were not familiar with them, and requested that the information be provided to all of the Commissioners to see if the rules should be modified.

Commissioner Covington stated in Mr. Morales' statements, he indicated that even if a Commissioner was not responding to the communication, the Commissioner should still report the communication, even in instances where a Commissioner was at a social gathering and people were venting, that those communications had to be reported.

Ms. Nakatsu stated that such communications were subject to the Agency's Disclosure Policy.

Commissioner Covington stated she agreed with Commissioner Yee because she believed that the policy would prohibit Commissioners from hearing people's commentaries.

Ms. Nakatsu stated the policy did not prohibit that kind of contact, but it required the Commissioners to disclose the communications. Ms. Nakatsu stated that anyone could talk to Commissioners, but if they were approached at a cocktail party by a developer, for example, that had a matter coming before the Commission, that would be the particular type of communication that should be disclosed.

Commissioner Covington stated she was not speaking of developers, but regular members of the public who had opinions or interests about Agency matters.

Ms. Nakatsu stated the communication was defined by its content, as some kind of communication between anyone and the Commissioners about a matter within the Commission's jurisdiction, which must be disclosed under the policy.

Commissioner Covington requested verification that telephone messages left on her Agency-issued telephone answering machine must also be disclosed.

Mr. Morales stated there could be hypothetical situations where it seemed like the policy was extremely unreasonable, but the point was that Commissioners were receiving information from outside parties, and as a hypothetical example, a telephone message could say that the Commissioner should not vote on a contract because the principal was convicted of a certain crime, and that was the only message left, and it would be difficult to determine if the information was true or not, or if it would influence the Commissioner's vote. Mr. Morales stated the point was that Commissioners were getting information from an outside source that could be used in the formulation of the Commission's decision, and all that the Commissioners would be reporting was that they received information from people about certain matters, and that there would obviously be some discretion on the part of the Commissioners, but that the way the policy was written, it was meant to cover any type of outside contact. Mr. Morales stated he recalled that part of the discussion with then Mayor Willie Brown, was about the scope of the policy, and the way the policy was originally drafted, it really narrowed it to certain types of communication before the Commission, and Mayor Brown felt that it should be any communication, in part because it would be impossible to determine when a communication would influence a Commissioner's decision, or when a communication was significant versus just any contact, and that was some other Commissions, not in the City, but some in the State, had as a policy.

Ms. Nakatsu stated the policy applied to outside communication, which was defined as a communication about a matter within the Agency's jurisdiction, which was defined as a contract. Ms. Nakatsu stated in her mind, in reading the definition of a matter within the Commission's jurisdiction, which applied only to contracts, there would be some things that the Disclosure Policy would not require.

Mr. Morales added that would also include any matters pending before the Commission, but the point was that it would be a discrete action before the Commission, and not just some suggestion about the trees in Transbay, as an example, because there would not be a specific action before the Commission, and Commissioners would not have to report that necessarily, but if there was a contract for street tree removal, and someone comes up to a Commissioner and says that the Commission should not vote for the contractor because they did a bad job at another project, that was information that all Commissioners should have, and a Commissioner should disclose that they received the information in advance.

Commissioner Covington stated she appreciated Mr. Morales' hypothetical examples because those would have to be disclosed, but that it was the more nebulous ones like the tree examples that would not be reportable.

Executive Director Rosen stated the communication would have to be about a matter pending before the Commission where it would be making a determination to award a contract, a project or a sale of property, where people were communicating to Commissioners, in order to encourage more open communications or knowledge about who was trying to potentially influence Commissioners' decisions. Ms. Rosen stated she knew in the past, there were Commissioners who did not want to take the time to fill out the disclosure forms, and they would just include in their remarks when a matter was called, that they had received a call from people about the matter pending, and Commission Secretary Erwin Tanjuaquio kept a record of the disclosures, which help reduce the record-keeping burden.

Commissioner Covington stated the policy required that disclosures must be done within five days of the contact, so if Commissioners were waiting until the next meeting, they would not be in compliance with the policy.

Executive Director Rosen stated at the time the policy was adopted, there were weekly Commission meetings.

Mr. Morales stated he wanted to clarify that when the communication was within five days, like four days, then the Commissioner would not fill out the disclosure form, and would report the communication orally. Mr. Morales stated the reports would be in writing more than five days before the Commission meeting at which the matter would be considered, and that was when the disclosure form would be filled out. Mr. Morales stated the idea was that the public would have the opportunity to know what contact had been made with Commissioners, and the oral disclosure would be at the meeting at which the Commission would consider the matter, so the opportunity would always be available to Commissioners.

Commissioner Breed stated she had a serious problem with the Disclosure Policy, and that she did not mind reporting who called her or who she met with, but the Western Addition community in which she lived, there was always some controversy about something before the Agency, and since she walked in the community almost everyday and worked in the community, she was bombarded with all kinds of issues from community members. Ms. Breed stated she was concerned that this was too much reporting for her because she had a job that required a lot of time and attention, in addition to spending a lot of time reading Agency materials, and although she realized that she should have reported outside communications, she just did not have the time or the mind to remember all of the people who spoke with her about matters pending before the Commission. Ms. Breed stated she was a person of integrity who was appointed by the Mayor and supported by her community to serve as an Agency Commissioner that would make the best decisions about the community, and that as far as she was concerned, she did not think she needed the additional reporting requirement. Ms. Breed

stated she thought the policy should be brought back before the Commission so that it could vote on the policy again, because she could not keep track of the continuous reporting requirements under the policy.

Commissioner Yee stated he agreed with Commissioner Breed, and put forth a motion that the rules adopted by the Commission a long time ago be brought back to the Commission for discussion, and to schedule it at the next Commission meeting. Mr. Yee stated not every Commission in the City had such a policy.

Commissioner Breed seconded Commissioner Yee's motion.

President Peterson asked Commissioner Yee to clarify his motion.

Commissioner Yee stated the rules adopted by the Commission years ago, dealing with disclosure among other things, and he was not sure how many rules were adopted, but that the rules should be brought back before the Commission for discussion, so that the newer Commissioners could decide to retain or repeal the rules.

Mr. Morales stated the motion should be framed in a way so that the public would know what the Commission might do.

Commissioner Yee stated he was referring to Resolution 10-2001 adopted on February 6, 2001 regarding the Agency's Disclosure Policy, to calendar that at the next Commission meeting for the Commission to discuss and consider approval.

President Peterson restated Commissioner Yee's motion, for the Commission to reconsider at the next Commission meeting, the Disclosure Policy adopted by Resolution No. 10-2001, whether to retain, amend or eliminate the Disclosure Policy.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) TO CALENDAR A MATTER AT THE NEXT COMMISSION MEETING, TO CONSIDER WHETHER TO RETAIN, AMEND OR ELIMINATE THE AGENCY'S DISCLOSURE POLICY ADOPTED BY RESOLUTION NO. 10-2001 ON FEBRUARY 6, 2001.

Note: Ms. Penny Nakatsu continued her presentation on the workshop.

Commissioner Breed stated Commissioners received a lot of tickets for numerous events that were not always fundraisers, and that for example, Commissioners received tickets for the Giants opening day, which she did not attend, and asked if Commissioners were supposed to report such tickets.

Ms. Nakatsu stated that Commissioners were supposed to report receipt of such tickets.

President Peterson stated he understood that if the tickets were given to the Agency, Commissioners need not report it.

Ms. Nakatsu stated that was not so, and another example of a reportable gift was the pre-opening cocktail party held on September 27th for the Westfield Bloomingdale's shopping center, which Commissioners and many Agency staff attended, and staff was in the process of determining the value of that gift, because there was a very specific regulation that says the value of that gift had to be determined as the per person or prorata share of all the costs of putting on the event.

Commissioner Breed stated that the tickets for the Bloomingdale's event were not sold to anyone.

Ms. Nakatsu stated that she received a ticket for the event and brought a guest with her, and she would have to disclose whatever the value of two tickets would be, and staff was in the process of finding out the value of the tickets.

Commissioner Breed stated Commissioners were invited to a lot of events, and if they had to disclose those gifts, she requested that a note accompany the ticket or invitation stating that the gift must be disclosed at an estimated value, or would the Commissioners have to research the information themselves.

Ms. Nakatsu stated she thought that if Commissioners received a ticket and they were concerned about whether it was valued over \$50.00, the best thing to do would be to go to the entity that gave the ticket and ask for the value.

Commissioner Breed stated she did not see any value to the ticket for the Bloomingdale's event.

Ms. Nakatsu stated that if a Commissioner attended the Bloomingdale's event, and did not eat anything or listen to any of the entertainment, there could possibly be an argument that there was no value to the ticket.

Mr. Morales stated this was the Commissioner's own individual responsibility to report the gift, and staff would help Commissioners figure out the value, but ultimately, it was the Commissioner's decision whether to report the gift, and it would be the Commissioner's obligation. Mr. Morales stated he knew there were some difficult circumstances like the Bloomingdale's event, for which it would be hard to determine the value,

and Commissioners should use their judgment as to whether or not they thought the matter applied to them. Staff would provide the basic information so that Commissioners could report the gift.

Ms. Nakatsu stated that additional options for Commissioners were to return the tickets or to find out what the value of the event was and to reimburse the gift-giver within 30 days.

Commissioner Breed stated she did not agree.

President Peterson jested that Commissioners could call Peter McGowan and say no thanks to the Giants opening day tickets.

Commissioner Breed stated that if every member of the public was invited to an event, like she was invited to a Yerba Buena Gardens event through her work at the African-American Art and Culture Complex, and the ticket had a \$75.00 value, asked how she would make the determination to report the gift when she received it not as an Agency Commissioner, but as the Director of the African-American Art and Culture Complex.

Ms. Nakatsu stated the reporting of the gift applied to invitation-only events, and not for events that were open to the entire public.

Mr. Morales stated there was an exception, not just for political fundraisers, but also non-profit events, which were excluded, and Commissioners need not report a ticket for a non-profit fundraiser as a gift.

Commissioner Covington stated that for large events like the Westfield or the opening day for the Giants, staff could give the information to Commissioners beforehand, so that they would know the value of the tickets, because for instance, the Giants tickets had printed on them, "No Value," and there was not a dollar figure on the tickets. Ms. Covington asked if staff could inform Commissioners of the tickets' value when the tickets are forwarded to Commissioners.

President Peterson asked if staff could report the gifts on behalf of the Commissioners when the tickets came through the Agency.

Mr. Morales stated that Commissioners had to fill out their forms, which were due on April 1st each year. Mr. Morales stated he wanted to point out that not every gift came through the Agency to forward to Commissioners, as some gifts would be sent directly to Commissioners, and the reporting requirement applied to any gift from anybody.

Commissioner Covington stated she understood, but that she was referring to the gifts that came through the Agency for distribution to Commissioners, because those gifts did not have monetary values placed on them. Ms. Covington stated if they were invited to non-profit events, the invitations would say, ticket price is \$125.00.

Ms. Nakatsu stated that non-profit events would be excluded from the reporting requirement.

Mr. Morales stated that staff may not be aware of all the gifts that Commissioners receive and accept.

Commissioner Covington stated she was speaking of the big events, and everyone knew that in 2007, there would a Giants opening day event, and someone would have to tell Commissioners how much the tickets would cost, because a big event such as the Westfield, she should not have to call four people to try to find out the value of the event, so that she could report it.

Executive Director Rosen stated for invitations to Commissioners that come to the Agency, she would ask the Commission Secretary to consult with the General Counsel and provide information to Commissioners. Ms. Rosen stated she thought that General Counsel Morales was just emphasizing that the reporting requirement was an individual responsibility, and whether Commissioners accepted the gift or returned it, all of the conditions were explained in the pamphlet on the reporting of gifts.

Commissioner Covington stated she understood, but that she was speaking of events when the value of the event or the ticket was unknown.

Executive Director Rosen stated staff would assist Commissioners on the valuation to the extent staff could obtain the information.

Ms. Nakatsu stated staff would not necessarily know everything that Commissioners receive.

Commissioner Covington stated that again, she was only speaking of the big events like the Giants opening day, and when the St. Regis had its grand opening with a luncheon, she did not know how much the lunch cost.

Ms. Nakatsu stated the workshop was not yet finished, and the main part of the workshop was an approximately 45-minute long streaming video presentation of the Ethics Training conducted by the Office of the City Attorney, unless the Commission wanted to continue the workshop to another time.

Commissioner Covington stated this was the portion of the workshop that three Commissioners had already partaken and did not have to stay.

President Peterson stated he would look for a motion to continue the workshop, and asked the General Counsel, if the workshop could be continued to another meeting and calendared towards the end of the meeting, where Commissioners who had already attended the training need not participate.

Mr. Morales stated it would not make a difference because the point was, if the Commission lost a quorum, there would no longer be a meeting, but Commissioners could still hear the information as individuals, and the Commission could continue the remainder of the workshop at another time.

Executive Director Rosen stated the ethics training portion of the workshop would have to be done by the end of the year.

President Peterson requested verification that the workshop would take another 45 minutes.

Ms. Nakatsu stated there was a second part of the training in addition to the 45-minute video, so it would take another two hours to complete the training.

President Peterson stated he would entertain a motion to continue the remainder of the workshop to another meeting.

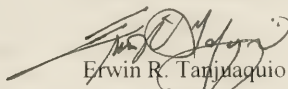
Executive Director Rosen suggested that the continuance be set at a future Agenda-setting meeting.

President Peterson stated that without objection, that would be the order.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Ms. Breed, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:25 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

November 7, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
7TH DAY OF NOVEMBER 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of November 2006, at the place and date duly established for holding of such a meeting.

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1/7/06
President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of October 172006

4 (b) Resolution No. 142-2006, Authorizing a Fourth Amendment to the Personal Services Contract with Elizabeth H. Haughey, a sole proprietor, to increase the contract in an amount not to exceed \$17,500, for a total aggregate amount not to exceed \$63,500, and to extend the contract term to June 30, 2007, to provide services in connection with the Single Room Occupancy Hotel Rehabilitation Loan Program, South of Market Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF OCTOBER 17, 2006 (MR. ROMERO ABSTAINED), AND 4 (b) RESOLUTION NO. 142-2006, AUTHORIZING A FOURTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH ELIZABETH H. HAUGHEY, A SOLE PROPRIETOR, TO INCREASE THE CONTRACT IN AN AMOUNT NOT TO EXCEED \$17,500, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$63,500, AND TO EXTEND THE CONTRACT TERM TO JUNE 30, 2007, TO PROVIDE SERVICES IN CONNECTION WITH THE SINGLE ROOM OCCUPANCY HOTEL REHABILITATION LOAN PROGRAM, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

Items 4 (c), (d), (e) and (f) were presented together and acted upon separately.

- 4 (c) Design Workshop for Mercy Housing California, a California nonprofit public benefit corporation, and San Francisco Medical Center Outpatient Improvement Program, Inc., (commonly known as the South of Market Health Center), a California nonprofit public benefit corporation, for 49 very low income family rental units and a new medical clinic at 227-255 Seventh Street; South of Market Redevelopment Project Area
- 4 (d) Resolution No. 143-2006, Authorizing a Second Amendment to a Tax Increment Loan Agreement with Mercy Housing California, a California nonprofit public benefit corporation, to increase the loan amount by \$931,380 for a total aggregate amount not to exceed \$6,206, 894, for the predevelopment, and construction of approximately 49 very low income family rental units at 227-255 Seventh Street; South of Market Redevelopment Project Area

- 4 (e)** Resolution No. 144-2006, Authorizing a Second Amendment to a Tax Increment Grant Agreement with San Francisco Medical Center Outpatient Improvement Programs, Inc. (commonly known as the South of Market Health Center), a California nonprofit public benefit corporation, to increase the predevelopment grant amount by \$588,061 for additional predevelopment expenses, for a total aggregate amount not to exceed \$2,008,978, and to extend the contract period from June 30, 2005 to December 31, 2007, for the construction of a health clinic facility at 227-255 Seventh Street; South of Market Redevelopment Project Area
- 4 (f)** Resolution No. 145-2006, Approving the naming of a very low income family rental and medical clinic development at 227-255 Seventh Street in honor of Ms. Elouise Westbrook, a long-time community activist; South of Market Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff), Ann Tourney (Solomon Architects)

Executive Director Marcia Rosen read Resolution No. 145-2006, Approving the naming of a very low income family rental and medical clinic development at 227-255 Seventh Street in honor of Ms. Elouise Westbrook, a long-time community activist; South of Market Redevelopment Project Area. Ms. Rosen also presented a Mayoral Proclamation to Ms. Elouise Westbrook, proclaiming November 7, 2007 as Elouise Westbrook Day in San Francisco.

Speakers: Linda Bien, L. Wayne Batmale, Oscar James, Bruce Phillips, Dr. Ana Valdes, Rev. Arnold Townsend, Gene Coleman, John G. Melone, Don Marcos, John Gressman, Gladys Sandlin, Marty Cerles, Antoine Snelgro, Ollie Burgess

Ms. Elouise Westbrook expressed her appreciation and shared the long history of her work with all of San Francisco's communities.

Ms. Laurie Lloyd, daughter of Ms. Westbrook, read a letter from the National Association of Community Health Centers Inc. commending and thanking Ms. Westbrook's invaluable contributions to the enhancement of community health centers nationwide.

Commissioner King stated that he and Ms. Westbrook were there from the beginning many years ago in the days of Joe Alioto, and fondly remembered that Ms. Westbrook lead a group of women from San Francisco to Washington D.C. and persuaded Congress to provided funds for the City. Mr. King stated he recalled attending weekly meetings with former Mayor Alioto along with Ms. Westbrook and Mr. Revels Cayton, among others.

Mr. King put forth motions to adopt items 4 (d), (e) and (f), and thanked Ms. Westbrook for being a lovely lady and for almost 50 years of friendship, and commended her continued activism for the people of San Francisco and the nation. Mr. King stated he and others would not be sitting on commissions without the tremendous efforts of Ms. Westbrook.

Commissioner Breed congratulated Ms. Westbrook and seconded Commissioner King's motions. Ms. Breed stated that besides Mrs. Mary Rogers, the name of Elouise Westbrook was the second name most mentioned in her home. Ms. Breed stated she grew up in public housing in the Western Addition and as a young lady, she did not always appreciate what her parents and grandparents tried to instill in her, but now, serving as an Agency Commissioner doing what she could for the community and the City, she realized how important the work that Ms. Westbrook continued to do, and that she really appreciated everything that Ms. Westbrook had done for the City because the hard work made it possible for people like her (Ms. Breed) to be successful in serving the public. Ms. Breed stated in some ways, she felt that she had it easy because of people like Ms. Westbrook, Commissioner King, her grandmother and Mrs. Mary Rogers. Ms. Breed stated that Ms. Westbrook had paved the way for many people and that she would follow in Ms. Westbrook's footsteps and thanked her for everything she had done. Ms. Breed asked members of Ms. Westbrook's family to stand up and be recognized.

Commissioner Breed requested staff in the future, to provide drawings of the proposed design instead of photocopies. Ms. Breed asked if the design approval would be brought back to the Commission for consideration.

Executive Director Rosen stated that the land use entitlements for the proposed project would go before the Planning Commission and not the Agency, so the workshop was an opportunity for Commissioners to provide input before the matter was calendared at the Planning Commission.

Commissioner Breed stated she thought the design was good and that she was glad of the community input and looked forward to the project's completion.

Commissioner Covington stated she wanted to add her thanks to Ms. Westbrook for all her work in the communities and neighborhoods that had benefited everyone in the City. Ms. Covington stated she would encourage young people to take note of Ms. Westbrook's legacy as an acknowledgment of a life well lived. Ms. Covington asked if the pharmacy would be permitted to fill prescriptions for people with doctors elsewhere, or would the pharmacy be only for people who would come to the health center. Ms. Covington asked how large a space the pharmacy would have.

Mr. Charles Range, Director of the South of Market Health Center, stated the pharmacy would be available to all of its patients and prescriptions would be filled for everyone in the South of Market community because there was no other pharmacy in the community. Mr. Range stated that Kaiser Permanente provided pro-bono assistance in designing the layout for the pharmacy, which would be approximately 1,200 square feet.

President Peterson stated the Commission was very excited to move the items forward especially dedicating the development in honor of Ms. Westbrook, and that it was great for Ms. Westbrook to be present because she is a remarkable lady who did not look her age of 91 years old.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 143-2006, AUTHORIZING A SECOND AMENDMENT TO A TAX INCREMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$931,380 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$6,206, 894, FOR THE PREDEVELOPMENT, AND CONSTRUCTION OF APPROXIMATELY 49 VERY LOW INCOME FAMILY RENTAL UNITS AT 227-255 SEVENTH STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 144-2006, AUTHORIZING A SECOND AMENDMENT TO A TAX INCREMENT GRANT AGREEMENT WITH SAN FRANCISCO MEDICAL CENTER OUTPATIENT IMPROVEMENT PROGRAMS, INC. (COMMONLY KNOWN AS THE SOUTH OF MARKET HEALTH CENTER), A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE PREDEVELOPMENT GRANT AMOUNT BY \$588,061 FOR ADDITIONAL PREDEVELOPMENT EXPENSES, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,008,978, AND TO EXTEND THE CONTRACT PERIOD FROM JUNE 30, 2005 TO DECEMBER 31, 2007, FOR THE CONSTRUCTION OF A HEALTH CLINIC FACILITY AT 227-255 SEVENTH STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 145-2006, APPROVING THE NAMING OF A VERY LOW INCOME FAMILY RENTAL AND MEDICAL CLINIC DEVELOPMENT AT 227-255 SEVENTH STREET IN HONOR OF MS. ELOUISE WESTBROOK, A LONG-TIME COMMUNITY ACTIVIST; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (g), (h) and (i) were presented together and acted upon separately.

- 4 (g)** Resolution No. 146-2006, Certifying the Final Environmental Impact Report for the 1746 Post Street commercial use project and adopting environmental findings pursuant to the California Environmental Quality Act; Western Addition Redevelopment Project Area A-2
- 4 (h)** Resolution No. 147-2006, Granting a floor area ratio variance and authorizing an Owner Participation Agreement with Shogakukan, Inc., a Japan corporation, for a commercial use building at 1746 Post Street, Assessor's Block 0685, Lot 012, between Webster and Laguna Streets; Western Addition Redevelopment Project Area A-2
- 4 (i)** Resolution No. 148-2006, Conditionally approving a schematic design for a commercial building located in Japantown at 1746 Post Street, Assessor's Block 0685, Lot 012, between Webster and Laguna Streets; Western Addition Redevelopment Project Area A-2

Presenters: Item 4 (g) presented by Joanne Sakai (Agency staff), Items 4 (h) and (i) presented by Denise Blades and Gabriela Cardona

Speakers: Robert Hamaguchi, June-Ko Nakagawa, Paul Osaki, Don Yamate, Kenji Yokoo, Masanori Okuda, Shinichi Seino, Tad Saito, Takashi Oda, David Zisser, Zenta Senod, Mrs. Bland Platt, Rosalyn Tonai, Tak Matsuba, Caryl Ito, David Silverman, Seiji Horibuchi, Rev. Arnold Townsend

Commissioner Covington thanked everyone who came to the meeting and testified and stated she wanted to give everyone a big "Arigatou gozaimashita" (thank you very much in Japanese) for being patient and staying at the meeting. Ms. Covington stated she thought the J-Pop project was an exciting project because manga (Japanese comics) and anime (Japanese animation) was very big all over the world, and with the demise of the Japantown Bowl, the J-Pop Center will become a magnet and a destination for young people. Ms. Covington stated this project would be an attraction for young people in an aging community and provide opportunities to visit the other attractions in the Japantown community. Ms. Covington stated she was looking over the materials about the existing building, and although Architect James Plachek was a local architect of some renown, with the demise of the building connected to 1746 Post Street, there appeared to be a truncated version of whatever architectural vision the architect had, and without the main building, the remnant structure's significance would be greatly reduced. Ms. Covington stated she had not heard anything that the remaining building expressed a particular phase in the development of Mr. Plachek's career, and no one had demonstrated that

he was moving from one architectural style to another that would merit preservation of the building. Ms. Covington referred to material provided by Mrs. Bland Platt, which stated that the recirculation of an EIR prior to certification should be delayed if significant new information was presented, however, she was not able to articulate what the new information was when queried by the Commission President. Ms. Covington stated she was at a loss as to what the new information was and in the face of such overwhelming support for the project, she did not see why the project should be delayed. Ms. Covington stated that Mrs. Platt mentioned that the preservation community would appeal the Commission's certification, but that in the face of the overwhelming support from the business community particularly, Hokubei Mainichi, the youth community and the developer, she (Ms. Covington) thought that the Agency would do what it needed to do to move the project forward. Ms. Covington put forth motions to move items 4 (g), (h) and (i).

Commissioner King stated he did not have a problem with the proposed development, but that it seemed like the project happened too fast, and he had worked with the Japanese-American community since 1953 and recalled that he and Commissioners Singh and Yee had always participated in meetings in Japantown, but this time, for this project, the community had not communicated with Commissioners and only worked with Agency staff. Mr. King stated he was disturbed not only because Commissioners were not involved, but that staff took almost an hour to present the project. Mr. King stated he had lived in St. Francis Square for over 42 years with 300 other families and they did not receive notice about all of the meetings that were held for the project. Mr. King stated he spoke with people from the Presbyterian housing development across the street and they had not been involved with the project and that it was not good to not involve the surrounding communities around Japantown. Mr. King stated he was not going to hold up the project, but that Mrs. Platt and the preservation community may have problems with the project. Mr. King stated he would like the African-American community to be involved with such projects as well as the surrounding communities.

Commissioner Breed stated she frequently walked by the area and always noticed the building because it was not very attractive and that she did not want to base her decision on the proposed project on the building that replaced the Japantown Bowl because it was a reminder to her that the bowling alley was no longer there. Ms. Breed stated that growing up, she and other youth from the Western Addition frequented Japantown Bowl to play video games, go bowling and eat, and noticed the decline of people visiting Japantown. Ms. Breed stated the project would provide a great opportunity to attract Japanese-American youth to come back to Japantown, and that she enjoyed seeing generations of Japanese-Americans supporting the project that would help revitalize Japantown. Ms. Breed stated with all

due respect to the preservation community, as one who supports historic preservation, she felt it was a waste of time to argue about the preservation of such a building, and the project must move forward. Ms. Breed stated she appreciated receiving the EIR in a timely manner that afforded her adequate time to thoroughly review the document, and that she would like to see the 1746 Post Street project move forward and to see new buildings developed along Post Street in Japantown. Ms. Breed stated she would second Commissioner Covington's motions and that she was glad to see the Japantown Task Force and the Western Addition CAC take the time to work together on the project and that it was good to see the Japanese-American community come together to tell the Commission of their support for the project.

Commissioner Romero stated he agreed with most of the Commissioners comments, but specifically as to the EIR, he was very persuaded by the comments from the developer's counsel, Mr. David Silverman, as well as the responses to objections from Mrs. Bland Platt addressed in the EIR Comments and Responses document, specifically Section 2.4, and that he did not believe based on the information provided and the testimony heard, that there was significant new information that would lead to a legal requirement to redo the EIR process. Mr. Romero stated he just did not see any of the objections made at the meeting to show a new significant environmental impact that would result from the project or from a new mitigation measure proposed to be implemented. Mr. Romero stated he also did not see that the Draft EIR was so fundamentally inadequate and conclusory in nature that public review and comment were precluded. Mr. Romero stated that a new architectural design did not meet those standards and that he did not hear any other objection and that he did not think that the preservation community spokesperson at the meeting had met the legal standards that would require the Commission to stop the process from going forward. Mr. Romero stated he would urge the preservation community to really think through appealing the Commission's decision because the Japanese-American community recently lost a valuable community asset in the Japantown Bowl, which was bitterly fought. While the Agency Commission was powerless to stop that, here the Agency would have the opportunity to approve a project that would hopefully help mitigate the loss of Japantown Bowl. Mr. Romero stated he did not think it was good judgment on the part of the preservation community to throw a technical roadblock in the way of the project. Mr. Romero stated that the Agency Commission had cooperated with the preservation community in the past by supporting the Landmarks Preservation Advisory Board's positions on projects that raised those issues, and recalled several projects in the past most significantly, the Westfield Center and the requirements the Commission imposed and the steps the Agency took to enforce the preservation requirements. Mr. Romero stated the Agency was not ignorant of preservation issues and this just did not meet the standard. Mr. Romero

stated he would urge the preservation community to think through their objections because there would be future issues that they would want the Agency Commission to deal with and they would not want the Agency to question their judgment on preservation issues. Mr. Romero stated he would certainly support all three items.

Commissioner Singh stated he also thought the project had a wonderful building design and that the old building was not in good shape. Mr. Singh stated he agreed with Commissioner King that no one contacted Commissioners to get their input on the project, but that he would support the project moving forward.

Commissioner Yee stated he was thrilled about the project and the wonderful staff presentation and that he appreciated all of the hard work. Mr. Yee stated he was very excited about seeing something new in Japantown because he frequented the neighborhood and felt closeness to the community. Mr. Yee stated he read the letter from his friend Mr. Allen Okamoto, which stated that they had been working on the project for two years, and the Commission would like to see the project to move forward now, well before the expiration of the Western Addition A-2 Redevelopment Plan in 2009. Mr. Yee stated that the objections raised by Mrs. Bland Platt would delay the project further and would not be in the best interest of the City, especially for a community that had lost some of its vitality, and the project would tremendously help in restoring that vitality and attracting more people to Japantown. Mr. Yee stated he would support the project moving forward.

President Peterson stated he echoed both Commissioner Covington's and Romero's comments, and thought that the preservation community served an important purpose in the City, but that they would alienate their broader cause by making a battle out of a project like 1746 Post Street, because it seemed to him that the objections were purely on highly technical and procedural areas of concern with no better idea other than what had been proposed.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 146-2006, CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE 1746 POST STREET COMMERCIAL USE PROJECT AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 147-2006, GRANTING A FLOOR AREA RATIO VARIANCE AND AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH SHOGAKUKAN, INC., A JAPAN CORPORATION, FOR A COMMERCIAL USE BUILDING AT 1746 POST STREET, ASSESSOR'S BLOCK 0685, LOT 012, BETWEEN WEBSTER AND LAGUNA STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 148-2006, CONDITIONALLY APPROVING A SCHEMATIC DESIGN FOR A COMMERCIAL BUILDING LOCATED IN JAPANTOWN AT 1746 POST STREET, ASSESSOR'S BLOCK 0685, LOT 012, BETWEEN WEBSTER AND LAGUNA STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Items 4 (j) and (k) were presented together and acted upon separately.

- 4 (j)** Resolution No. 149-2006, Conditionally approving the combined basic concept and schematic design for a commercial building on Parcel 4 of Blocks 41 – 43 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area
- 4 (k)** Resolution No. 150-2006, Conditionally approving the combined basic concept and schematic design for a commercial building on Parcel 5 of Blocks 41 – 43 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Erik Sueberkrop (Parcel 4-Studios Architecture), Bill Katz (Parcel 5-SMWM Architects)

Commissioner Breed inquired about the building's metal sunscreen on Parcel 4, which seemed to be obscured by the trees as rendered on the illustrative drawings, but was not depicted on the architectural model.

Ms. Amy Neches, Senior Project Manager, stated that street trees would not obscure the building elements.

Commissioner Breed stated she really liked the building's design and was impressed with the metal sunscreen and did not want the artwork obscured by trees. Ms. Breed asked if there wind studies conducted for the proposed buildings and impacts on some of the outdoor dining.

Ms. Neches stated that wind studies were conducted for the basic building shapes as part of the EIR, and buildings exceeding 100 feet including the Studios building, were subject to individual wind study tests. Both wind and solar effects were looked at, and the buildings and outdoor seating spaces were designed to create as positive an environment as could be done given the windy conditions in Mission Bay.

Commissioner Breed stated she really gets excited about projects with the creative building designs and colorful palette of the building materials, and that the two buildings would add so much to Mission Bay, and that she even liked the shade of the color green on the building. Ms. Breed put forth motions to adopt item 4 (j) and (k) and stated she appreciated the thought that went into designing both buildings.

Commissioner Covington stated she thought both buildings were gorgeous and that she would second Commissioner Breed's motions. Ms. Covington stated she did not see any plans for the parking garage and urged that any plans for a parking garage should be attractive.

Ms. Neches stated that the garages were just going into design and that Alexandria Real Estate Equities was bringing excellent architects who were coming up with very innovative design concepts and noted that the garages would be brought to the Commission for its review and consideration.

President Peterson stated he recalled earlier discussions about the UCSF parking garage and requested staff to provide an update to the Commission.

Commissioner Singh asked how many parking spaces would be in the garage. Mr. Singh asked how many employees would be working in the two buildings.

Ms. Neches stated there would be two garages and the parking ratios for the two buildings would result in about 500 to 600 parking spaces under the Mission Bay Plan. The two garages would total about 1,100 parking spaces within the two garages that would serve the group of five buildings in accordance with standards in the Design for Development. Ms. Neches stated that the two buildings totaled 410,000 square feet and she would estimate that there would be about 1,200 employees. Ms. Neches stated that Mission Bay was expected to rely heavily on public transit, including the Third Street Light Rail, Caltrans, and several bus lines, and the plan all

along was to promote the use of public transportation, bicycling, pedestrian and automotive access.

President Peterson stated the two buildings had high quality design and looked terrific and well done.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 149-2006, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A COMMERCIAL BUILDING ON PARCEL 4 OF BLOCKS 41 – 43 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 150-2006, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A COMMERCIAL BUILDING ON PARCEL 5 OF BLOCKS 41 – 43 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (l)** Considering whether to retain, amend, or rescind Resolution No. 10-2001 (February 6, 2001) adopting the Agency's Policy for the Disclosure of Outside Communications by Agency Commissioners and Officers on Matters Pending before the Agency Commission

President Peterson stated before the Executive Director begins with staff presentation, he believed that Commissioner Covington would like to make a motion to continue the matter.

Commissioner Covington stated she would suggest hearing from each Commissioner about what they were thinking in terms of the Disclosure Policy and that it would be a good idea for the Commission to form a committee of three Commissioners to figure out what the new policy would be or if there was support to rescind the existing policy. Ms. Covington stated she did not think the Commission could make a decision with the large group of all seven Commissioners, and that if Commissioners were

canvassed and the committee knew the will of the Commission, then it could move forward.

Commissioner Romero stated he was not sure if Item 4 (I) had been called and if not, the item should be called to provide opportunity for public comment. Mr. Romero stated he did not have a problem with postponing the matter, but that he was concerned about discussing the substance of the matter without knowing what procedures to follow.

President Peterson asked the Commission Secretary to call the item.

Executive Director Rosen stated that the Commission Secretary had already called the item.

President Peterson asked the Executive Director to proceed with the staff presentation.

Presenters: James B. Morales (Agency staff)

Commissioner Covington reiterated she felt that the full compliment of the Commissioners was too large a group to fully discuss the details of the Disclosure Policy. Ms. Covington stated she would suggest that each Commissioner share his or her thoughts about the existing policy and that a committee of three Commissioners be formed that would work on the policy that reflected the will of the Commission. The committee would then bring back to the full Commission any revisions or recommendations to abolish the policy.

Commissioner Romero requested a clarification of the motion.

President Peterson requested verification that Commissioner Covington's motion was to continue the matter at a later time after the committee had discussed the issue.

Commissioner Covington stated the matter would be calendared following a recommendation from the committee and then, the Commission would consider a vote.

Commissioner Romero stated he was not in attendance at the October 17, 2006 meeting, but that he was in all of the Commission meetings in 2001 referred to in the five newspaper articles attached to the Commission memorandum and that he was in attendance when former Mayor Willie Brown came to the Commission meeting and severely chastised the Commission and supported the ethics policies including the Disclosure Policy. Mr. Romero stated he could not think of a bigger mistake that the Commission could make than to fiddle with the Disclosure Policy, and that

he thought that would be politically bad for the current administration and an embarrassment to the Mayor. Mr. Romero stated he did not see evidence that revisions were needed because the motion presumed that there needed to be a change in the policy. Mr. Romero stated he did not like filling out the disclosure forms any more than the other Commissioners, but a closer look at the policy would indicate that casual communications need not be reported because the policy was very specific about the reporting requirements, and those were on matters pending before the Commission. Mr. Romero stated that if a Commissioner was contacted by a lobbyist or a developer, the public had the right to know, and although the reporting requirements may be burdensome, especially if a Commissioner received a lot of contacts, but that Commissioners were appointed to serve the public and the public had the right to know about the outside contacts. Mr. Romero stated he did not think there was any reason to change the policy and that he wanted to be on record that he would oppose any change to the policy. Mr. Romero stated the worst thing that the Commission could possibly do with ethics issues was to have a committee discuss the issue without public participation and input, and that he would not support any discussion without the public having the opportunity to see the positions each Commissioner would take about what would be in the public's best interest. Mr. Romero stated he knew there were good intentions, but that he did not think the policy needed any reform, and was willing to have a discussion, but that he would oppose any changes and that he would not support forming a committee outside the public eye.

President Peterson stated he did not think that Commissioner Covington's suggestion presumed that the committee discussions would not be public.

Commissioner King stated he was opposed to the policy and thought that it should be abolished, and recalled that in 2001, the Commission was much divided when the ethics policies were introduced. Mr. King stated he felt that he could speak with anyone he wished to and not have to report the communication, because a Commissioner could not do his or her job as a Commissioner when people spoke with them, and that it was wrong to have to disclose the names of the people. Mr. King stated he did not think other commissions had the same reporting requirements, and if he had to disclose all of the contacts he received about Agency business, people would not want to speak with Commissioners and Commissioners would not be effective. Mr. King reiterated his opposition to the Disclosure Policy and that he thought the policy should be eliminated and that Commissioners had the right to speak with and listen to anyone. Mr. King stated a committee was not necessary and the full Commission could discuss the issue publicly. Mr. King put forth a motion to rescind the existing Disclosure Policy.

Commissioner Breed stated the matter was before the Commission primarily because she had expressed concerns about the number of contacts she had,

and that she was literally bombarded with telephone calls, visits to her office, on the streets all over the Western Addition. Ms. Breed stated she already had too many reporting requirements and felt that the reporting requirements under the Agency's Disclosure Policy would weigh heavily on her decision as to whether or not she would want to continue to serve as an Agency Commissioner, not because she did not want to report contacts, but because she could not keep up with everything and that she felt deluged and overwhelmed. Ms. Breed stated that redevelopment was so imbedded in the Western Addition community that it was like a culture in and of itself, and it was tiresome. Ms. Breed stated that Commissioners were obligated to submit statements of economic interest where they had to report gifts or contributions, which she was fine with, but her concern was that she did not even know the names of some of the people who spoke with her. Ms. Breed stated that Commissioners did not have the opportunity during Commission meetings, to divulge such contacts within the five-day period to disclose the outside communication, and did not know when to report the communication. Ms. Breed stated she felt that there was a system in place without the appropriate measures for Commissioners to comply with the policy. Ms. Breed stated she recalled that before being appointed to the Commission, ethics issues were hotly debated under Mayor Willie Brown's administration where he and Commissioners were being accused of all sorts of improprieties, and Mayor Brown pushed for reforms to bring the issue at the forefront and in the public eye. Ms. Breed stated that the reporting requirements were burdensome because all communications would have to be disclosed, including for example, a telephone call she received from the Mayor's Office about why she favored eliminating the policy, and the reporting was time-consuming and felt that it was a waste of her time because she had enough materials to read and plenty to do as an Agency Commissioner. Ms. Breed stated it was almost insulting to say that Commissioners did not have integrity because they did not disclose communications that may influence their decisions, as though they were not capable of making decisions on their own. Ms. Breed stated the Commission should discuss the matter publicly, but that she was in the middle of the issue because she respected former Mayor Brown and the unanimous decision of the Board of Supervisors as well as the unanimous vote of the Agency Commission to adopt the Disclosure Policy. Ms. Breed stated that it was important to discuss the policy, but that she did not want to change the policy without making sure that what would be established would either make the existing policy better, or make the reporting requirements easier for Commissioners. Ms. Breed stated she would prefer changing the policy so that disclosure of communications would be limited to major items pending before the Commission such as awarding of contracts and approval of funding requests. Ms. Breed stated her desire was to make the policy work so that it would facilitate compliance by Commissioners.

Commissioner Yee stated that once a matter had been calendared on the Commission meeting agenda, the Commission had no choice but to hear the matter. Mr. Yee stated he consulted with the City's Planning Commission and was informed that it did not have such a policy for disclosing outside communications, and requested verification from the Executive Director.

Executive Director Rosen stated as the memorandum pointed out, the City Attorney's Office advised all commissions to not have ex parte communications and if they did, to report them, although staff was not aware of another City commission that adopted a formal rule. Ms. Rosen stated that as the Commission knew, the Agency was a creature the State Law and there were State Agencies and other communities that had such rules, some examples of which were provided in the memorandum.

Commissioner Yee stated he had been serving for many years as a Commissioner for the State government and that he had never heard of a state agency that adopted such rule.

President Peterson requested clarification that the Agency Commission was the only Commission that had adopted a Disclosure Policy.

Executive Director stated to the staff's knowledge, the Agency Commission was the only local Commission that had adopted a Disclosure Policy. Ms. Rosen stated the City Attorney advised commissions that made decisions similar to decisions made by the Agency Commission to not have ex parte communications and to report them if they had them.

President Peterson asked why the Agency Commission was singled-out to be the only commission to adopt such a policy.

Executive Director Rosen stated at the time in 2001 when the Commission adopted the Disclosure Policy, then Mayor Brown wanted to use the Agency's Disclosure Policy as a model for other commissions, and that she did not know why it was not adopted formally by other City commissions. Ms. Rosen stated the Agency had numerous requests over the years from members of the public and other City commissioners and directors to review the Agency's Disclosure Policy.

Commissioner Romero stated the facts of the time demanded the adoption of a Disclosure Policy, and allegations about how Commissioners were behaving led to the adoption of the Agency's ethics policies. Mr. Romero stated whether Commissioners were doing anything wrong or not, this was the administration's way of addressing at least what the appearances were. Mr. Romero stated there were members of the Commission who appeared to be having a lot of communications, and that he was not singling anybody out or saying that the allegations were true, but urged the Commissioners to

read news articles which reported Commissioners being wined and dined and people were upset about it, and that was why the ethics policies were adopted. Mr. Romero stated it sounded to him that all the Commissioners needed was some training on how to apply the policies, particularly the Disclosure Policy, and this was the reality of being a Commissioner. Mr. Romero stated each of the Commissioners had different burdens, with some having more than others, and that he felt for Commissioner Breed's sentiments, and that he believed every word she said about how she was bombarded with contacts from the community, because she is from a community that was completely involved with the Agency's business. Mr. Romero stated the Western Addition community had a great presence and they attend the Commission meetings regularly and show great interest in the Agency's business, and because of that, there was a level of organization and awareness that he would not experience when he walked the streets in Bernal Heights. Mr. Romero stated Commissioners had their burdens and recalled that the Commission used to meet a minimum of four hours four times a month, and remembered that one time, after a long meeting, he had to drive three or four hours to be at another meeting the next morning. Mr. Romero stated that was his burden and when the burdens become unmanageable, he would bow out from being an Agency Commissioner, and that Commissioner Breed did have a bigger burden unfortunately, but that underscored the importance of having Commissioner Breed on the Agency Commission because she came from a community that had a lot at stake in the Agency's business, and that was why those communications were important to the community and to herself, and most important of all, to preserve Commissioner Breed's integrity and to project a good image. Mr. Romero stated he knew that the reporting requirements could be burdensome, but maybe, there was some way to interpret the policy that would eliminate the requirement for reporting those casual contacts, and that he would like to hear from staff if there was a way streamlining the process, but not to change the rules, because there was a danger of totally abandoning the policy, which would not look good politically. Mr. Romero stated for the other commissions that do not have such a policy, maybe they should because of what had been reported on the newspapers about their alleged conduct. Mr. Romero stated that maybe former Mayor Brown was right when he said that the Agency's Disclosure Policy should be a model for other City commissions because of the bad press that some City departments had, and recalled that when he first moved to San Francisco in the 70's, he could not believe how many times he saw the Redevelopment Agency in the newspaper, and the Commission should be cognizant of its image.

President Peterson stated he would remind that one of the suggestions from the General Counsel was to have for each agenda item, a report of any communication that the Commission Secretary would call for, which was a

concrete idea that would help Commissioners comply with the reporting requirements of the Disclosure Policy.

Commissioner Singh stated he would second Commissioner King's motion to rescind the existing Disclosure Policy, and recalled that in his 11 years on the Agency Commission, it was only Mr. James Morales who proposed the ethics policies in 2001, when before that time, there were no such policies. Mr. Singh stated he served on a very important State commission, the Department of Corrections, which was the most important commission in the whole State, and he was regularly contacted about people who were incarcerated to review the commission's decisions, and they were not required to report the communications. Mr. Singh stated he did not see the difference between the Planning Commission who did not have a disclosure policy and the Agency, who did. Mr. Singh asked for an example of another State commission or City commission who had such a policy.

Executive Director Rosen stated that the State Coastal Commission and the Bay Conservation and Development Commission among others, had such policies, and the reasoning behind the policies was that commissions who awarded entitlements to individuals for specific projects or development rights or contracts, had a special duty to disclose their communications in order to demonstrate the fairness of the process in awarding projects or entitlements.

Commissioner Singh stated almost every city in California had a redevelopment agency, and asked if there were other redevelopment agencies who had adopted a disclosure policy.

Executive Director Rosen stated staff had not surveyed other redevelopment agencies in the State.

President Peterson stated the Agency did not know at the present time, if other redevelopment agencies in the State had such a policy.

Commissioner King stated there were no other commissions who had a disclosure policy, and that the Executive Director had a conflict because she served on the board of the Treasure Island Development Authority. Mr. King stated that he and Commissioners Singh and Yee were investigated by the City's Ethics Commission and were cleared of every allegation, and Commissioner Breed with the amount of contacts she had, could also end up being before the Ethics Commission because of the ethics policies. Mr. King stated that Mayor Brown instituted the policies because there was so much conflict and division among Commissioners at the time, and recalled arguments with Commissioner Romero about labor issues. Mr. King stated he did not think the issue went before the Board of Supervisors.

Executive Director Rosen stated that the Board of Supervisors' Resolution No. 108-01 was included in the Commissioners' packets, which was passed unanimously and urged the Agency Commission to adopt the Disclosure Policy.

Commissioner King stated he was still opposed to the policy and that he thought the Commission should get rid of it, and if there were charges against Commissioners, they could be brought to the Ethics Commission or the Board of Supervisors. Mr. King stated he spoke with people everyday about the Agency's business and it would be impossible to report every conversation he had, and he would not be able to do his job as a Commissioner, and reiterated his opposition to the policy and that it should be eliminated.

Commissioner Breed asked if there plans underway for Mayor Newsom to implement a similar policy with the other commissions in San Francisco.

Executive Director Rosen stated perhaps the Commission could continue the matter in order to have discussions with the Mayor's Office, and shared that she already had a discussion with Mr. Wade Crowfoot of the Mayor's Office. Ms. Rosen stated she did not want to speak for the Mayor's Office, but that she was aware that the Mayor's Office was looking at the issue.

Commissioner Breed stated she was at a point where unless there would be some uniformity with other City commissions to have the same reporting requirements, she did not see any reason why Agency Commissioners should continue to be subjected to the disclosure policy, and also, she did not see anything in place in order for Commissioners to have the opportunity to divulge outside communications at the Commission meetings prior to public comment. Ms. Breed stated she was trying to understand when the opportunity to report would be at a Commission meeting, if the communication was less than five days.

President Peterson stated he believed that the idea would be for the Commission Secretary after he read the item, and before turning the matter to staff, would simply inquire as to whether there was any outside communications that Commissioners should report.

Commissioner Breed stated that since she had been on the Commission and as more details of the reporting responsibility was made known, Commissioners had not been given the opportunity at the meetings to report outside communications. Ms. Breed stated she guessed that would be up to the Commission President to determine if it was appropriate to amend the bylaws to revise the agenda's order of business to accommodate the reporting of outside communications, but that she would want to know from the Commissioners that had been on the Commission as to what they did to

report outside communications, if they turned in the disclosure forms or orally reported because she had never heard other Commissioners report during the time she had been on the Commission. Ms. Breed stated she had problems with the policy and wanted to know what happened in the past after the policy was adopted.

Commissioner Covington stated that in the Commission packet, the State Coastal Commission was mentioned, and noted that in the very beginning of their policy, it stated quite frankly, that they strongly discouraged any ex parte discussions with their commissioners. Ms. Covington stated there seemed to be a philosophy on the Agency Commission that this was the only way to get a balanced view of how decisions were made, so she did not see how the Commission could resolve the matter. Ms. Covington stated if people were reticent to have their names written down on disclosure forms, they would be loathe to have their names disclosed in a public meeting where everyone would hear about it, and that would just be one discussion a Commissioner might have with that individual, and that was how people get upset and the reporting of such contacts had the effect of silencing those individuals. Ms. Covington stated that if people could not feel that they could talk with Commissioners person to person without Commissioners telling the world exactly what they said, she did not see how that would advance the need for better communications with the people that the Commission served. Ms. Covington stated there was no way that she would support an oral reporting of outside communications at Commission meetings.

Commissioner Romero stated in response to Commissioner Breed's earlier question, he filled out the disclosure forms and there may have been some occasions when he reported communications in a public meeting. Mr. Romero stated he understood Commissioner Covington's point, and it was more the question of who was talking and not what was being said, but what developer, what lobbyist and what interest was communicating with which Commissioner was the issue, and not the candor of the individuals, but it was the appearance of the integrity and honesty that the policy was supposed to preserve. Mr. Romero stated he would vote against any changes to the Disclosure Policy, and if was in the minority, that would be fine because in one of the Chronicle newspaper articles about the Stony Creek development, he was the lone dissenting vote on that one also.

President Peterson stated he thought that the policy was very difficult as it was currently written, to be in compliance with, and that he appreciated all of the Commissioners' concerns and agreed with many of them, but that he also thought that it would look bad politically and that weighed heavily on his decision. Mr. Peterson stated that if he did not support the motion, it was because he did not want to send a message that the Commission was opposed to being open and willing to report their communications, and that

if he was to vote against Commissioner King's motion, he would very much like to substantially change the current policy.

MOTION: IT WAS MOVED BY MR.KING, SECONDED BY MR. SINGH, TO RESCIND THE EXISTING AGENCY DISCLOSURE POLICY, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Singh
Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Mr. Romero
Mr. Peterson

AND THE FOLLOWING ABSTAINED:

Ms. Breed
Ms. Covington

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, TWO (2) NAYS, AND TWO (2) ABSTENTIONS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION PASSED.

Commissioner Romero raised a point of order and requested a ruling from the General Counsel and stated he was not certain if a Commissioner could abstain from voting.

Commissioner Covington stated she had previously abstained from voting in past Commission meetings.

General Counsel James Morales stated that a Commissioner could abstain from voting however, in counting the votes because there were seven members in attendance, the Commission still needed a majority vote, which was four Commissioners, to pass a motion.

President Peterson asked if the General Counsel could point to Robert's Rules of Order on his opinion.

General Counsel Morales stated he would consult the Robert's Rules of Order.

Commissioner Yee stated he did not agree with the General Counsel's ruling on the motion that was voted on.

President Peterson stated that subsequent to the Commission meeting, the General Counsel's ruling could be verified.

Commissioner Breed stated she had a problem with the reporting requirement, but that she also had a serious problem with eliminating the policy in its entirety primarily because of the Commissioners who voted to support it in the past. Ms. Breed stated she was really concerned with being disrespectful to Mayor Brown and the Board of Supervisors who supported the policy, but that she was not saying she wanted to continue the matter, because she thought she needed more time to think about it to make sure she was making the best decision and that was why she was not prepared to say no or yes to the policy. Ms. Breed stated she wanted to make the best decision so that she was being responsible to the public as well as to herself with the stringent reporting requirement of the Disclosure Policy.

Commissioner Covington stated she believed that the General Counsel was correct in his opinion about the motion, and agreed that a majority of the members was still need to pass a motion. Ms. Covington stated in that case, the effect of the vote was that the item would be continued to another meeting, until the General Counsel's ruling was verified.

Commissioner Yee stated that the three affirmative votes on the motion was a majority and the two abstentions would go to the majority.

General Counsel Morales stated that rulings on parliamentary procedures were ultimately at the call of the Chair, which then would be subject to override by a majority of the body. Mr. Morales stated that in other societies or groups, if the parliamentarian or the President stated that Robert's Rule stated a ruling, a member of the body could appeal that ruling, whereby a Commissioner would say that he or she appealed the ruling of Chair, and if there was a second, there would be a vote on whether to overturn the President's interpretation of Robert's Rules. Mr. Morales stated in the absence of quickly finding the specific provision in the 700-page Robert's Rules, he would suggest that the Commission consider the option he mentioned, so that a majority of the Commission would decide what Robert's Rules would mean.

Commissioner Yee stated this was a simple matter and if there was a doubt, the City Attorney or the Attorney General could be consulted.

Commissioner Romero stated he would like the President to make the ruling suggested by the General Counsel, that the motion did not pass, and if

anyone wanted to challenge that ruling, they could and the Commission could vote on the challenge.

President Peterson stated that he did not know for certain what the law was, and that a vote to abstain was not a vote in favor for, nor a vote against the motion.

General Counsel Morales stated he wanted to refer to the Agency bylaws, specifically Section 35, Voting and read, "Every official act of the Agency shall be adopted by a majority vote of the Members. A "majority vote" shall mean a majority of all Members present when a quorum is present." Mr. Morales stated these were the Commission's bylaws and they control over Robert's Rules of Order.

President Peterson stated he would conclude that the two votes to abstain would not be counted either in favor or against the motion, and if the bylaws state that the vote required a majority, which would be four votes, then the motion did not pass, and the Commission could overturn his ruling with a majority vote.

General Counsel Morales stated that if members disagreed with the President's interpretation of the bylaws, they would be free to do that.

Commissioner Breed stated she would like the Commission to move forward with the agenda, and to continue the Disclosure Policy item to the next Commission meeting because she would like to take some time to thoroughly think about her decision.

President Peterson stated since the Commission had already voted on the matter, it could not be continued, and if his ruling that the motion failed, it had the effect of continuing the item and nothing happened.

Commissioner Romero stated that he heard Commissioner Breed suggest that the Commission move forward with the agenda and to continue the matter, and the President and Vice-President could decide if the matter would come back on a future agenda.

Commissioner Covington stated she wanted to note that the Commission was right back to where it started, and that next time, she would vote so that the discussions would not continue for three months.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Adolph Philoxene

Executive Director Rosen stated that an informational memorandum had been provided to the Commission and that the contract with On-Target Delivery Services was going to expire on November 30th, and pursuant to the Agency's Purchasing Policy, every opportunity for contractors or businesses for the Agency had to be reoffered every three years on a competitive basis. Ms. Rosen stated as indicated in the memorandum, the Agency's offices were now in a City-leased building, which was soon to be a City-owned building, and in the Agency's former offices, there was no delivery from the postal service and therefore the Agency had utilized messenger services to pick up mail on a daily basis from the Harrison Street Post Office. Ms. Rosen stated the Agency would now get free mail delivery to its offices as part of its sub-lease of the office space and being a part of the City where other City departments also had its mail delivered to the door. Ms. Rosen stated in the past, the Commission had weekly meetings and had weekly messenger services, and there were a lot more deliveries because there was less use of facsimile and e-mail for the ordinary course of the Agency's business. Ms. Rosen stated that at this point in time, and in looking at the new services offered to the Agency and the expiration of the On-Target contract, it appeared to her to be sensible to approach the messenger services needs of the Agency by establishing a panel of eligible messenger services for which of course On-Target could apply again. Ms. Rosen stated this was not an ongoing sole-source contract because this was a contract awarded pursuant to the Agency's Purchasing Policy, which required competitive solicitation from eligible business, and if On-Target wanted to compete for the reduced scope of services that the Agency would need, it certainly could do so. Ms. Rosen stated the three-year contract with On-Target was supposed to be for \$35,000 a year, and apparently, the contract was managed in a way where more money was expended than was authorized by the Commission, which just came to her attention, and staff had tentatively scheduled an item for the next Commission meeting, a ratification of additional funds for the contract. The Agency no longer needed the full scope of services in the current contract, and in fact, On-Target had been paid for weekly deliveries to the Commission for the three-year period even though the Commission only had bi-monthly meetings during that period.

President Peterson stated that there were sometimes additional deliveries to Commissioners.

Executive Director Rosen stated those deliveries were billed separately. Ms. Rosen stated the kind of contract the Agency had in the past when the

Agency required a great deal of service, the contract had an amount for a scope of services that was paid whether or not the services were used because it had a flat rate with extra costs factored in for waiting period and extra deliveries. Ms. Rosen stated the Agency did not need that level of service now because the Agency only had infrequent deliveries, and that her idea was to comply with the Commission's Purchasing Policy by allowing a number of small businesses who meet the Agency's Purchasing Policy criteria to be on a list and On-Target could also be on that list.

President Peterson requested verification that the Commission could override its policy with respect to delivery services to Commissioners' homes.

Executive Director Rosen stated the Commission could make a decision to waive the Purchasing Policy.

President Peterson stated it seemed to him that if the U.S. mail did not need to be picked up from the Harrison Street Post Office because it was now being delivered directly to the Agency's new offices, he would agree that was a waste of money, but that he thought there was a need for a trusted delivery person to make deliveries to Commissioners' homes and thought that was legitimate.

Commissioner King stated he had the same arguments as President Peterson that the Commission could override its own policies. Mr. King stated he enjoyed Mr. Philoxene making deliveries to his home and having conversations with him. Mr. King stated he felt that there were too many minority businesses that were being let go, and thought that the Agency had a contractor for over 20 years with On-Target who was sincere and honest. Mr. King stated he thought the Agency should maintain the contract with On-Target and for the Commission to award a contract similar to the one that On-Target had.

Commissioner Yee stated he heard that Mr. Philoxene had not raised his rates for over six years, and speaking as a Commissioner, he stated that he strongly supported the retention of On-Target as the Commission's public servant, so to speak, because the Commissioners trusted Mr. Philoxene to come to their homes and make deliveries as he had done for so many years. Mr. Yee stated he would put forth a motion to retain On-Target's delivery services.

Commissioner King stated he already made that motion.

Commissioner Yee stated he seconded the motion.

Executive Director Rosen stated that On-Target's contract was not on the agenda and was not noticed, so if the Commission would like to direct staff to negotiate a contract with On-Target, the delivery of Commission packets, staff would be happy to do that.

Commissioner King stated he was not speaking of just the Commission packets, and that the Executive Director was trying to eliminate the job altogether because On-Target had other duties under the contract.

Executive Director stated that On-Target had responsibility for picking up mail at a Post Office that now delivered mail to the Agency's offices, and that service cost about \$300 a week to pick up the Agency's mail, and the Agency did not need that service.

Commissioner King stated he was tired of Ms. Rosen always cutting back on Commission services especially with minorities, and On-Target had been providing good service for many years and he should be allowed to make a good living from providing services to the Agency.

Commissioner Yee stated he would make a motion to instruct Agency staff to place the On-Target contract on a Commission meeting agenda so that the public would be notified.

Commissioner Singh seconded Commissioner Yee's motion, and stated that since the staff had salary raises, he thought that On-Target also deserved a raise because Mr. Philoxene had a family to support and expenses like anyone else.

President Peterson called for a voice vote on the motion, and the motion passed with a unanimous vote of the Commission.

Commission Secretary Tanjuaquio stated for the record that the unanimous vote comprised of five Commissioners, with Commissioners Covington and Romero absent.

NOTE: There was one more request to speak on Item 6, Persons wishing to address the members on non-agenda, but Agency-related matters:

- Ace Washington

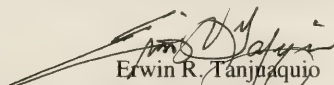
Executive Director Rosen stated in response to the public comment from Mr. Ace Washington that she had a duty as the Executive Director to protect the safety of Agency employees. Ms. Rosen stated she had a credible report of threatening behavior by Mr. Washington to an employee and that she saw Mr. Washington in the Agency office and wanted to ensure that he was not there to see or go by the office or intimidate or threaten the employee. Ms.

Rosen stated staff was looking into the matter and would handle it as the Agency was required to do by law.

7. **REPORT OF THE PRESIDENT** None.
8. **REPORT OF THE EXECUTIVE DIRECTOR** None.
9. **COMMISSIONERS' QUESTIONS AND MATTERS** None.
10. **CLOSED SESSION** None.
11. **ADJOURNMENT**

It was moved by Mr. Singh, seconded by Ms. Breed, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:55 p.m.

Respectfully submitted,



Erwin R. Tanjaquio
Agency Secretary

APPROVED:

November 21, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
21ST DAY OF NOVEMBER 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 21st day of November 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of November 7, 2006
- 4 (b) Resolution No. 151-2006, Authorizing a Fourth Amendment to a Personal Services Contract with the Market Street Association, a California nonprofit public benefit corporation, to extend the term for six months, for an aggregate amount not to exceed \$280,000 for administrative, coordination, and outreach services to the Mid-Market Project Area Committee; Mid-Market Redevelopment Survey Area
- (c) Resolution No. 152-2006, Authorizing a Second Amendment to the Personal Services Contract entered into as of July 17, 2006, as amended October 17, 2006, by and between the Agency and Grace S. Yip, to extend the term of the contract from November 30, 2006, to January 31, 2007

ADOPTION: IT WAS MOVED BY MR. BREED, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF NOVEMBER 7, 2006, 4 (b) RESOLUTION NO. 151-2006, AUTHORIZING A FOURTH AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH THE MARKET STREET ASSOCIATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FOR SIX MONTHS, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$280,000 FOR ADMINISTRATIVE, COORDINATION, AND OUTREACH SERVICES TO THE MID-MARKET PROJECT AREA COMMITTEE; MID-MARKET REDEVELOPMENT SURVEY AREA, AND 4 (c) RESOLUTION NO. 152-2006, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT ENTERED INTO AS OF JULY 17, 2006, AS AMENDED OCTOBER 17, 2006, BY AND BETWEEN THE AGENCY AND GRACE S. YIP, TO EXTEND THE TERM OF THE CONTRACT FROM NOVEMBER 30, 2006, TO JANUARY 31, 2007, BE ADOPTED.

REGULAR AGENDA

- 4 (d) Resolution No. 153-2006, Approving the Streetscape and Open Space Plan for the Transbay Redevelopment Project Area; Transbay Redevelopment Project Area

Presenters: Mike Grisso (Agency staff), Lisa Padilla (Zimmer Gunsul Frasca)

Speakers: Clark Manus, Francisco Da Costa

Commissioner Covington complimented everyone for addressing some of the issues she had raised at the previous workshop, and that she was happy to see that the species of poplar trees had been changed as well as the modifications to the proposed benches, which now included backrests. Ms. Covington stated she thought that people would really be more comfortable with the newly designed benches and that she was concerned in the past that children under six years old and people over 60 years old would be at risk in using the previously proposed benches. Ms. Covington congratulated staff and the architects for the beautiful design and put forth a motion to adopt item 4 (d).

Commissioner Breed stated she wanted to echo Commissioner Covington's sentiments and that she appreciated all of the work that staff and the architects put in to address the concerns the Commission had. Ms. Breed asked if there was a plan to maintain the proposed public art for the Transbay Terminal.

Mr. Mike Grisso, Project Manager, stated there was a plan in place to maintain all of the public art in the Transbay Project Area, and that the Report on the Redevelopment Plan had a proposal for establishing a Mello-Roos District through the development of the publicly-owned parcels in the Project Area. Mr. Grisso stated the assessment district would be the mechanism that had been discussed to create a revenue stream in perpetuity to maintain the proposed public improvements. Mr. Grisso stated the other possibilities for supplemental revenue would come from developer exactions and fees since the Agency would have control of the properties.

Commissioner Breed seconded Commissioner Covington's motion to adopt item 4 (d).

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 153-2006, APPROVING THE STREETScape AND OPEN SPACE PLAN FOR THE TRANSBAY REDEVELOPMENT PROJECT AREA; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (e)** Resolution No. 154-2006, Authorizing a First Amendment to the Personal Services Contract with C.H. Elliott & Associates, a sole proprietorship, to increase the contract amount by \$20,000 for a total aggregate amount not to exceed \$60,000 and to extend the contract term for 1 year, resulting in an aggregate term of 2 years, to provide real estate and fiscal consulting services in association with the implementation of the Disposition and Development Agreement Hunters Point Shipyard Phase I; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Francisco Da Costa

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 154-2006, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH C.H. ELLIOTT & ASSOCIATES, A SOLE PROPRIETORSHIP, TO INCREASE THE CONTRACT AMOUNT BY \$20,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$60,000 AND TO EXTEND THE CONTRACT TERM FOR 1 YEAR, RESULTING IN AN AGGREGATE TERM OF 2 YEARS, TO PROVIDE REAL ESTATE AND FISCAL CONSULTING SERVICES IN ASSOCIATION WITH THE IMPLEMENTATION OF THE DISPOSITION AND DEVELOPMENT AGREEMENT HUNTERS POINT SHIPYARD PHASE I; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f)** Considering whether to retain, amend, or rescind Resolution No. 10-2001 (February 6, 2001) adopting the Agency's Policy for the Disclosure of Outside Communications by Agency Commissioners and Officers on Matters Pending before the Agency Commission

NOTE: There was no staff presentation for item 4 (f).

Speakers: Ace Washington

President Peterson stated that the Mayor sent a letter requesting the Commission to consider continuing the matter until a time when the City as a whole could formulate a fair, practical plan for Commissioners to properly disclose communications that may be material in nature relevant to Agency business. Mr. Peterson stated he would entertain a motion to continue item 4 (f) to a further date.

Commissioner Romero put forth a motion to continue item 4 (f) indefinitely. Mr. Romero stated he made the motion in order to provide opportunity to address the concerns that emerged at the previous meeting that the Redevelopment Agency was the only Commission to have such a requirement to disclose outside communications, and now, the Mayor would like to look into having such a policy be applicable to all City Commissions. Mr. Romero stated he thought that was a good idea and that there were other Commissions that could benefit from the policy given some of the press reports in the past and that the Commission had to put its best effort to make sure that the public had confidence in the Commission's integrity. Mr.

Romero stated he saw that there would be efforts to address the practical aspects of the policy because of questions about the burden of the reporting requirement on Commissioners, and thought that the Mayor should be given an opportunity to look into those matters. Mr. Romero stated that was why he was making the motion to continue indefinitely, and in the mean time, the existing disclosure policy for the Agency remained in effect.

Commissioner Breed seconded Commissioner Romero's motion, and stated that was because she was open to what the Mayor would propose, but that she would like to see a proposal be developed within six months. Ms. Breed stated she would like the Commission to send a strong message to the Mayor to expeditiously develop a solution, and that the Commission had a responsibility to the public and if the Commissioners were not people of integrity, they would not be serving on the Commission. Ms. Breed stated that Commissioners already had a significant amount of reporting requirements under the Fair Political Practices Commission's Statement of Economic Interest that Commissioners had to file annually, and although she understood how the Agency's Disclosure Policy came to be, she did think that the policy imposed undue burdens on Commissioners, but that she was not willing to abolish it in its entirety and was willing to work with the Mayor's Office on some possible solutions so that the policy would work for the Commission to ensure compliance.

Commissioner King stated he shared some of Commissioner Breed's statements because the reason why the policy came about a few years ago was due to arguments between Commissioners that led to the Mayor (Mayor Willie Brown, Jr.) supporting the adoption of the disclosure policy. Mr. King stated he would go along with Mayor Newsom's suggestion to continue the matter, but that he would expect the Mayor's Office to come up with a workable policy that would apply to all City Commissions.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (f) CONSIDERING WHETHER TO RETAIN, AMEND, OR RESCIND RESOLUTION NO. 10-2001 (FEBRUARY 6, 2001) ADOPTING THE AGENCY'S POLICY FOR THE DISCLOSURE OF OUTSIDE COMMUNICATIONS BY AGENCY COMMISSIONERS AND OFFICERS ON MATTERS PENDING BEFORE THE AGENCY COMMISSION, BE CONTINUED INDEFINITELY.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Minister Christopher Muhammad, Chris Carpenter, Francisco Da Costa, Dr. Ray Tompkins, Daniel Landry, Brother Leon Muhammad, Dr. Ahimsa Porter Sumchai, Espanola Jackson, Valerie Tulier, Ace Washington

NOTE: Members of the public expressed concerns about dust plumes from the grading work on Parcel A of the Hunters Point Shipyard.

7. REPORT OF THE PRESIDENT

- President Peterson stated he was certain that his fellow Commissioners share the concerns that were raised at the meeting regarding the Hunters Point Shipyard and potential air quality issues. Mr. Peterson stated he would recommend at the next Commission meeting, a full briefing of the Commission by Lennar and the Department of Public Health, and that he would welcome members of the community to attend the meeting in order to have an open public forum to address the issues raised. Mr. Peterson stated there was no one in the Agency or the Commission or in the City that wanted children harmed in any way during the development process in the Shipyard. Mr. Peterson stated there would be no cover-up, no agenda other than to confirm that there was nothing going on in the Shipyard that was injuring the children in the community, and the goal would be to find out the facts. He added that he would be in favor of implementing additional air monitoring procedures to determine if there were unhealthy conditions and potentially in violation of health codes.
- President Peterson stated that at the request of Commissioner Breed, the Commission would go to Item 9 on the Agenda, Commissioners' Questions and Matters, followed by the Executive Director's Report.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington thanked Minister Christopher Muhammad, the children, parents, teachers and members of the community for coming to the meeting. Ms. Covington stated she appreciated the fine conduct of the young ladies and gentlemen who were very attentive and well-behaved. Ms. Covington stated she was very disturbed with what she heard and if the allegations were true, she thought that was appalling behavior on the part of many people, and that there should be an investigation to determine if the allegations were true. Ms. Covington stated she thought that President Peterson's suggestion for a full briefing

of the Commission at next meeting was good, but that in the interim, there should be some remediation or increased oversight on the part of the parties responsible for maintaining healthful conditions during construction activities. Ms. Covington stated that as part of the briefing, she would like to know what kind of oversight was provided by the Agency for whatever monitoring equipment and reports were provided by Lennar. Ms. Covington stated she also wanted to know what independent means were being employed to make sure that contractors were in compliance, and that she wanted to know who was responsible for interpreting the environmental data for the Agency because she would not know how to interpret air particulate readings, as an example. Ms. Covington requested verification that the Agency had issued 11 violations for Parcel A to Lennar, which was asserted by one of the speakers.

Executive Director Rosen stated the Agency did not have authority to issue violations, but the Bay Area Air Quality Management District (BAAQMD) and the Department of Public Health (DPH) under Article 31 of the City's Administrative Code does, and that while she was not aware of the number of violations, she knew that there had been several notices of violation issued. Ms. Rosen stated staff provided an informational memorandum (at the previous Commission meeting) to the Commission regarding the notices of violation for Parcel A, but reiterated that the DPH and BAAQMD, and not the Agency, had compliance responsibilities. Ms. Rosen stated that under Article 31, the Agency required independent monitoring paid for by Lennar, and the Agency's environmental and technical consultants were the monitors and not Lennar. Ms. Rosen stated she did not know all of the locations of the monitors, but that she was informed that one of the monitors was adjacent to the school. Ms. Rosen stated she was also very concerned with what she heard and wanted to offer to Minister Muhammad to facilitate a meeting in the interim between Lennar, DPH and the school and to schedule the meeting right away. Ms. Rosen stated she wanted to let the school, children and families know that the Agency took the health concerns of the entire community very seriously, and that she would do everything she could to facilitate a meeting with the technical experts.

- President Peterson stated he echoed Commissioner Covington's wisdom of doing something in the interim to facilitate progress and that he was happy to attend such a meeting.
- Commissioner Covington stated she definitely wanted to be part of any meeting scheduled, but that she wanted the Executive Director to make sure that there were no dust clouds near the school and that there was proper and consistent watering of the site during construction activities because the young students still had developing lungs and they have to spend recreational time outside of the classrooms.

- Commissioner Covington inquired about the discussion of the Agency's Disclosure Policy at the previous Commission meeting, and asked what the outcome of the vote was, because there was uncertainty if the motion to rescind the policy passed or failed, as to the necessity of a majority of the Commission voting in the affirmative.
- President Peterson stated his understanding was that nothing further had to be established because the Agency's bylaws stated that the President would determine the outcome of the vote, and that his determination that the motion to rescind failed with a vote of three ayes, two nays and two abstentions, because there was not a majority of the Commission (four ayes) voting in favor.
- Commissioner Covington stated she asked the question because she wanted the outcome of the vote to be part of the public record. Ms. Covington informed that the Mayor had convened a housing task force and at the suggestion of the President and Executive Director, she was appointed as a member of the task force, and that the task force had its first meeting on November 16th. Ms. Covington stated she would share a report on the activities of the task force at the next meeting.
- Commissioner Breed stated she was extremely disappointed with what she heard at the meeting. Ms. Breed stated she respected Minister Christopher Muhammad very much and the work he was doing for the school because she had seen her cousin, who had problems with discipline and grades, and ever since he went to the school, his grades had improved, and he had developed respect for authority and his mother. She was very happy with the work that the school was doing in the community. Ms. Breed stated it was very disturbing to hear about environmental issues nearby the school, and that when she used to work at the Lawrence Livermore National Lab, they had done studies in the Bayview Hunters Point Shipyard and she was surprised to hear before she became an Agency Commissioner, that there was planned development in the area. Ms. Breed stated she studied chemistry in college and realized the effects of environmental problems with certain airborne chemicals not seen and impacts that were not known that could cause permanent health damage. Ms. Breed stated she had lost countless number of friends in the Bayview Hunters Point to both gun violence and cancer and that this was very disturbing and that she did not think she wanted to wait until a workshop was scheduled in order to make a decision about moving forward with the project and thought that the site should be shut down completely. Ms. Breed stated that until the Agency, Minister Muhammad and the community who lived in the area and were directly affected were satisfied, the construction activities should be stopped, and that she did not care about the money because

the health of the people living and working in the community was much more important, and if necessary, the Agency could adopt a resolution to cease construction activities in the area. Ms. Breed stated she read in the report she requested that the construction site had been shut down six times and the 55,000 gallons of water that was used to water the site, and she believed that there was no monitoring of the air quality to determine the asbestos level in and around the site. Ms. Breed stated that with the reported violations, it seemed that members of the community and the school were not even notified, and the Agency had the power to do what was in the best interest of the public. The Agency's responsibility should be to the people who lived in the neighborhood that were directly affected by the Agency's activities, and not the developers or the development schedule because people's lives were at stake. Ms. Breed stated she did not feel comfortable to allow the project to move forward and that would be her proposal, and she asked if the matter should be calendared for the next Commission meeting, and she requested verification that the Agency could in fact shut down the project if the developer was in violation of the agreement with the Agency.

General Counsel Morales stated that the Agency had an agreement with Lennar to develop the site and to comply with federal, state and local laws regarding the health and environmental conditions on the site. Mr. Morales stated he thought that as the Executive Director had indicated she would direct staff to immediately look into the matter and if there was a violation of the agreement with Lennar, the Agency would seek immediate compliance. Mr. Morales stated the Agency could do that immediately, but in terms of the Commission taking action, the Commission would have to place on the agenda at a future regular or special meeting a particular item to look at all of the issues, which could be converted to a more specific action item to consider whether to take action to require compliance with requirements to ensure that the development of the Shipyard was conducted in a safe manner for the community and its workers. Mr. Morales stated in the interim, staff could look at any contract violations because Lennar had agreed to comply with the laws and other provisions that require safety on the site.

- Commissioner Breed stated as Commission Vice-President, she was part of the agenda-setting committee, which would look at possible violations to determine what was not being done that would allow the Agency to shut down construction activities on the site, until an agreement could be reached between members of the public and the developer, and if this was not done prior to the next Commission meeting, there would be an action item on the agenda that would give the Commission the opportunity to support her recommendation to completely shut down the project until the environmental effects could be dealt with appropriately. Ms. Breed stated she definitely wanted to

be part of the continuing discussion and the Agency's interactions with Minister Muhammad about the matter.

- Commissioner Breed stated the Commission was responsible for so much development in the City, and census data showed that the City was losing a significant portion of the African American community, which was absolutely disgraceful because everyone spoke of diversity in San Francisco, but the City did not practice what it preached. The City did not attract people of her age, and many of her friends lived in the East Bay because they could not afford to live in San Francisco. Ms. Breed stated she thought that was really disgraceful and proposed that the Agency treat the African-American community as an endangered species and figure out a way to propose legislation to deal with the Bayview Hunters Point along these lines. Ms. Breed stated although the Bayview Hunters Point has a large population of African American people, she saw more of the other ethnic groups living in the area, which was good, but that there was a definite decline in the African American population in the area. Ms. Breed stated there needed to be more incentives in the same manner as provided to the San Francisco 49ers football team to stay in San Francisco, and people, especially African Americans, must be treated the same way. Ms. Breed stated she would propose that the Commission conduct a workshop to discuss what rights under the Redevelopment Law to establish a policy that would somehow allow for the repopulation of African Americans in the Bayview Hunters Point when the Agency begins the development of the community. Ms. Breed stated she would like the Housing Task Force that Commissioner Covington was appointed to, to be a part of her suggested workshop, and that the Mayor who recognizes the importance of the City's southeast sector, should also be a part of the discussion.
- Commissioner Romero thanked everyone for coming to the meeting and stated it was very important to hear from the public about issues in the community, and as everyone heard the Commissioners' comments, the Commission was obviously very concerned, and staff would look into matter right away. Mr. Romero stated in order to provide some perspective, the Agency had been working on the Hunters Point Shipyard for many years and one of the sticking points was the transfer of the land to the Agency, which the Agency wanted to make sure that the land was environmentally clean because the Agency was very concerned with the environmental aspects of the conveyance of the land. Mr. Romero stated he recalled that because of the delays, the community raised concerns with the pace of the entitlement process that would lead to the development of the Shipyard, and one of the reasons was the insistence by the Agency and the City that the land to be conveyed was clean and safe for people to live on. Mr. Romero stated he wanted the reported environmental issues to be really looked at carefully and

construction activities stopped if there were violations and to take immediate actions to remediate all impacts, but that the Agency could not take any action on the matter because it was not part of the current agenda.

- Commissioner Romero stated he wanted to know if the Agency had a policy or other City Commissions who had a set of rules governing the conduct of the press at Commission meetings. Mr. Romero stated that there was not always a lot of press attending the Agency Commission meetings, but that the meetings were videotaped as the public could see the cameras around the room and some Commission meetings were broadcast on cable television and there were a variety of ways that the public could access the Commission meetings. Mr. Romero stated the Commission meetings were also broadcast on radio and pointed to Mr. JJ Parsons of Radio Station KPOO who always conducted himself as a responsible member of the press, and complimented KPOO Radio for the conduct of its staff at the Commission meetings, who never interfered or disrupted the meetings and was always unobtrusive. Mr. Romero stated that other members of the press did not behave as such, and he was speaking of Mr. Ace Washington, and requested staff to look into policies or rules or to develop a policy for the Commission's consideration because he found Mr. Washington's conduct to be highly disruptive at times. Mr. Romero stated that Mr. Washington's positioning of his video camera had interfered at times with the conduct of the meetings and had gotten in the way of people trying to view presentation materials in that part of the meeting room. Mr. Romero stated he could not figure out how a responsible member of the press who was supposed to report on important issues such as what was heard at the meeting, would think it appropriate to step forward and express very strong opinions, which did not seem right. Mr. Romero stated everyone had a right to express their opinions, but was not sure if there should be rules against members of the press expressing their opinions on events they were covering. Mr. Romero stated the other matter that the Agency should look at was the criteria for the issuance of press credentials and whether or not people were issued the credentials properly. Mr. Romero stated he also wanted staff to look into disruptive behavior specifically attacks on Commissioners, members of the public and Agency staff because people came to the meeting with legitimate concerns on a very important matter and the disruptive behavior was very distracting and inappropriate.
- Commissioner King stated he certainly agreed with Commissioner Breed's statements because African-Americans had long been discriminated in the City. Mr. King stated that Minister Muhammad had done a great job of saving many young folks who just hung-out on the streets and now were in school learning. Mr. King stated the

Commission could not sit and wait one or two weeks while there was exposure to asbestos, because as Dr. Ahimsa Porter Sumchai stated, there could be infections on the children. Mr. King stated he supported all of Commissioner Breed's recommendations and the Commission could call for a special meeting right away to address the issue because of the immediate danger to the community. Mr. King stated he thought it was a disgrace for an Agency Commissioner to attack Mr. Ace Washington who is a member of the public, and that he was beginning to wonder about the Agency because it seemed like there was more discrimination than in the past with employees leaving, especially African American employees, and he thought that was the responsibility of the Commission to make sure that African Americans continued to be employed at the Agency. Mr. King stated he would support scheduling a special meeting as soon as possible to discuss the environmental and health issues at the Shipyard, and thanked Commissioner Breed for her honest opinions and that he supported her all the way.

- Commissioner Yee stated he echoed and supported all of his fellow Commissioners eloquent statements and agreed completely. Mr. Yee stated he wanted to inform the public that the conduct of Commission meetings was governed by Robert's Rules of Order and although the public had a right to address or even chastise a member of the Commission or staff, they must address the matter only to the Commission President and not to the Executive Director or General Counsel because that was inappropriate. Mr. Yee stated the Commission President was very lenient and should not tolerate disruptive behavior and should call the Sheriff's department if necessary to restore order at the meetings. Mr. Yee stated that offensive remarks would not gain the respect of the Commission and urged that members of the public address the Commission with respect and to maintain proper behavior at all times. Mr. Yee stated he appreciated very much members of the community coming to the meeting and as Commissioner Breed had suggested, the Commission could call a special meeting to discuss and address the issues, especially the health hazards to the children and community to make sure that the health and safety of the children are protected. Mr. Yee stated that as everyone was aware, the Bayview Hunters Point area was occupied by the U.S. Navy for many years in the Shipyard and that toxic hazards were prevalent in the area and any dust plumes was hazardous because people could inhale the dust and without knowing it, people would get sick not right away, but many years later. Mr. Yee stated the Commission was in full support of the community and that he was glad to see the young folks participate in the meeting and their well-behaved conduct.

- Commissioner Singh stated he appreciated the community coming to the meeting and thanked all of the young folks especially the great work that Minister Muhammad continued to do for the community. Mr. Singh stated he was very concerned with the innocent children and that he would not like his own children to be exposed to such health dangers. Mr. Singh urged the Commission President to schedule a meeting as soon as possible.
- Commissioner Covington asked how soon a special meeting could be scheduled.

General Counsel Morales stated the Commission President or the Commission could set a special meeting with a 24-hour notice.

- Commissioner Covington stated perhaps Commissioners could be canvassed on their availability for a special meeting next Tuesday November 28th.
- Commissioner Romero stated he would be available on November 28th at 4:00 p.m. Mr. Romero stated it was important to make sure that there was enough time before the special meeting for staff and others to do some investigatory work and because of the upcoming Thanksgiving Holiday, there may not be adequate time to prepare necessary information for the special meeting.
- Commissioner Covington stated that if there would be a special meeting on November 28th, part of the responsibility of the Commission as managers of the Agency, was to be able to gather information even if it would take more than one meeting, and to make decisions, even if the information was not totally complete because there was a risk of health issues being compounded by waiting, and even if the Commission did not make decisions, it would send the message that the Commission was taking the matter seriously and that the Agency would move swiftly.
- President Peterson stated he totally agreed and the special meeting could be held the next day, but that the prudent approach was for the Executive Director and her staff to survey all of the parties including Lennar and the Department of Public Health and to contact everyone within 24 hours and then set a date and time for the special meeting that works with everyone's schedules. Mr. Peterson asked the Executive Director to help facilitate the meeting.

Executive Director Rosen stated at the direction of the Commission, she would consult with the President and Vice-President as soon as possible to schedule a special meeting.

- President Peterson asked the Commission Secretary to canvass the Commissioners for their availability for the special meeting.
- Commissioner Breed stated she would need all of the documentation as soon as practicable in order to have adequate time for review before the special meeting. Ms. Breed stated she wanted to know irrespective of a special meeting, if there would still be efforts to work with Minister Muhammad to address the issues raised prior to or in conjunction with the special meeting. Ms. Breed stated she wanted to make sure there would be an action item that would provide the Commission with options, if necessary to stop the construction activities and in the mean time, negotiations would be worked out with Minister Muhammad and residents of the area to make sure that they would be satisfied with the information and responses provided.
- President Peterson stated he agreed and the Executive Director and her staff had the authority at any time to find the developer out of compliance and that would be ascertained as soon as the next day, then a special meeting could be scheduled.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated she wanted to report that Commissioner Covington, which she announced earlier, was appointed to the Housing Task Force, which the Mayor and Supervisor Maxwell had convened to look at public housing and the Agency would provide staff to work with the task force.
- Executive Director Rosen thanked Commissioners Covington, King and Singh for their attendance at the Valencia Gardens opening celebration on November 20th, which was a wonderful event.
- The refinancing and workout program transaction for saving the housing at Kokoro (1881 Bush Street) that the Commission approved closed last Friday November 17th and there was now a long-term sustainability of that housing. As the Commission was aware, Kokoro had scheduled a celebration but due to some health issues, the planned celebration was cancelled, and the Commission would be informed of the rescheduled event, which was tentatively scheduled sometime in January 2007.
- Executive Director Rosen reported that at the annual meeting of the California Redevelopment Association, of which the Agency was a member, she was elected President for the year 2007.

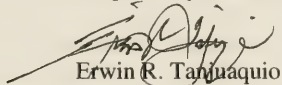
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.9(c): Conference with Legal Counsel regarding initiation of litigation: two potential cases.

11. ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:40 p.m.

Respectfully submitted,


Erwin R. Tanguaquo
Agency Secretary

APPROVED:

December 19, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
5TH DAY OF DECEMBER 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of December 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh

DOCUMENTS DEPT.

And the following were absent:

DEC 21 2006

Benny Y. Yee

SAN FRANCISCO
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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Resolution No. 155-2006, Authorizing a first amendment to the personal services contract with On Target Delivery Service, a sole proprietorship, to increase the total compensation in an amount not to exceed \$25,000 for an aggregate contract amount of \$131,620
- 4 (b) Resolution No. 156-2006, Authorizing a Personal Services Contract with On Target Delivery Service, a sole proprietorship, effective December 1, 2006 through November 30, 2009 in an amount not to exceed \$30,000 during the initial 12 month term for an aggregate contract amount not to exceed \$100,000 over the three year term

Commissioner Romero stated that he would abstain from voting on both of the consent agenda items since he was not in attendance when the matter was discussed.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSTAINED AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) RESOLUTION NO. 155-2006, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH ON TARGET DELIVERY SERVICE, A SOLE PROPRIETORSHIP, TO INCREASE THE TOTAL COMPENSATION IN AN AMOUNT NOT TO EXCEED \$25,000 FOR AN AGGREGATE CONTRACT AMOUNT OF \$131,620, AND 4 (b) RESOLUTION NO. 156-2006, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ON TARGET DELIVERY SERVICE, A SOLE PROPRIETORSHIP, EFFECTIVE DECEMBER 1, 2006 THROUGH NOVEMBER 30, 2009 IN AN AMOUNT NOT TO EXCEED \$30,000 DURING THE INITIAL 12 MONTH TERM FOR AN AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$100,000 OVER THE THREE YEAR TERM, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 157-2006, Expressing appreciation to Judy Eng upon the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Executive Director Rosen congratulated Ms. Judy Eng on her retirement and expressed her gratitude for Ms. Eng's service to the Agency and the pleasure of working with her for the last five years.

Presenters: Tracie Reynolds (Agency staff)

Executive Director Rosen read the commendation resolution for Ms. Judy C. Eng.

Ms. Judy C. Eng expressed her gratitude for the wonderful opportunity to work for the Redevelopment Agency for the past 30 years where she gained a tremendous experience. Ms. Eng stated that the Agency was a wonderful place to work and serve the City, and that she recalled working on finding a permanent home for KPOO Radio back in the 1980s. Ms. Eng stated the Agency had a wonderful staff especially the real estate division where they worked as a team with integrity. Ms. Eng thanked the Commission and stated that she and her family were looking forward to her retirement.

Commissioner King stated it was both a sad and a good day because Ms. Eng had been with the Agency for a very long time and that she was like family because her family lived in St. Francis Square. Mr. King stated he hated to see Ms. Eng go because she had been an invaluable addition to the Agency and wished her the best of luck in her retirement. Mr. King thanked Ms. Eng for all of the years of service she had given to the Agency and put forth a motion to adopt item 4 (c).

Commissioner Romero stated he was happy to second Commissioner King's motion and that in the 10 years he had been on the Commission, Ms. Eng was certainly one of the most pleasant staff to work with, and thanked her for 30 years of dedicated public service. Mr. Romero stated he did not realize that Ms. Eng had worked for the Agency for all those years because of her youthful looks and obvious energy. Mr. Romero wished Ms. Eng the best in her retirement.

Commissioner Singh stated he never thought Ms. Eng was that old because she looked like she was only 30-35 years old. Mr. Singh stated that Ms. Eng always had a pleasant demeanor about her and that the Agency would miss her very much and wished her the best of luck in her retirement.

President Peterson stated he echoed his fellow Commissioners' sentiments on behalf of the Commission and staff, and thanked Ms. Eng for all she had done for the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 157-2006, EXPRESSING APPRECIATION TO JUDY ENG UPON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (d)** Resolution No. 158-2006, Authorizing a Tax Increment Loan Agreement with Tenderloin Neighborhood Development Corporation, a California Nonprofit Public Benefit Corporation, in an amount not to exceed \$7,064,831 for the acquisition and rehabilitation of approximately 80 very low income rental units, plus two managers' units, located at 249 Eddy Street, and 161-165 Turk Street, as part of the Agency's Affordable Housing Preservation Program; Citywide Tax Increment Housing Program

Presenters: Michele Davis (Agency staff)

Speakers: Ray Crowder, Caren Cummins, Roger Langford, Don Falk

Commissioner Romero put forth a motion to adopt item 4 (d) and stated this was a part of the Agency's Affordable Housing Preservation Program and that Tenderloin Neighborhood Development Corporation (TNDC) had been before the Agency in the past and had a proven track record of their good work. Mr. Romero stated the proposed project was one of the best things that the Agency did in preserving affordable housing in San Francisco.

Commissioner Singh stated that TNDC was doing a great job in housing formerly homeless and very low-income people and that he was happy to hear that they also had an after-school program as well as 16 social workers working for them. Mr. Singh seconded Commissioner Romero's motion to adopt item 4 (d).

Commissioner Breed inquired about the loss of affordability in 2014 and asked what impacts that would have on the senior and disabled residents of the project.

Ms. Michele Davis, Development Specialist, stated that the threatened loss of affordability would result from the loss of Section 8 subsidy in 2010 and the pay-off the loan from the California Housing Finance Agency (CHFA), which would mean that the owner would not be subject to further long-term affordability restrictions after that date and would be free to sell the property to a market-rate owner. Ms. Davis stated that would mean that the owner could raise rents and the tenants would be at risk of losing the restricted affordable rents and face possible displacement.

Commissioner Breed asked how the proposed loan would alleviate the risk to the tenants.

Ms. Davis stated that the proposed transaction including the 99-year ground lease and the tax increment loan from the Agency would ensure that the tenants would be protected over the long-term with restricted affordable rent levels.

Commissioner Breed requested verification that the proposed tax increment loan would protect the low-income tenants.

Ms. Davis affirmed that the tenants would be protected with the proposed tax increment loan that would allow TNDC to purchase the property, and the Agency's ground lease, which would be brought to the Commission in the future, would provide for the long-term affordability of the housing units.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 158-2006, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$7,064,831 FOR THE ACQUISITION AND REHABILITATION OF APPROXIMATELY 80 VERY LOW INCOME RENTAL UNITS, PLUS TWO MANAGERS' UNITS, LOCATED AT 249 EDDY STREET, AND 161-165 TURK STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (e) Workshop on the environmental conditions on Hunters Point Shipyard Parcel A and the regulatory framework established to protect and safeguard public health from potential residual environmental conditions on Parcel A; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff), Amy Brownell (DPH), Saul Bloom (Arc Ecology)

Speakers: Charlie Walker, Espanola Jackson, Linda Richardson, Francisco Da Costa, Pastor Joesiah Bell, Rev. Arelious Walker, Jesse Mason, Sister Barbara Washington, Minister Christopher Muhammad, Scott Madison, Oscar James, Pastor George Lee, Chris Carpenter, Rev. Edgar Boyd, Dr. Ray Tompkins, Dr. Peter Palmer, Damone Hale, Dean Leon Muhammad, Ace Washington, Olin Webb, Al Norman

Commissioner Covington thanked everyone for coming to the meeting and stated that at the previous Commission meeting, she had suggested a meeting with members of the community and such a meeting was held on November 29th, but some of the people attended the Public Initiatives Development Corporation (PIDC) meeting the day before (November 28th) instead, and were not able to attend the November 29th community meeting. Ms. Covington stated she was very heartened by the community meeting and thought that there was a good dialogue and that things would improve.

Ms. Covington stated she wanted a monitor placed on the site that was close to the school on the cyclone fence because she visited the site the day before the meeting and observed several things. She observed where the monitor was placed, but with the complaints from the school, it was obvious that an additional monitor should be placed right at the border of the school, and was assured that would be done within the week. Ms. Covington stated she was encouraged by that and that the Agency, the Department of Public Health (DPH) and Lennar would meet with the parents of the school as well as parents at the Boys and Girls Club if they wanted to attend the meeting, in order to discuss the issues and answer questions from the parents. Ms. Covington stated the environmental issues at the Shipyard affect not only the children and teachers at the school, but all of the nearby residents, and that she would like to know when that meeting was taking place because she had requested that the meeting occur before the end of the year. Ms. Covington stated that the Dean of the school would be contacted when a stop work order was issued and wanted to find out if that was the case. Ms. Covington stated there had to be an increase in outreach efforts because if there were only 45 to 50 people attending meetings in a neighborhood of thousands, that was a low turnout and this was how misinformation would spread and the level of anxiety increased. Ms. Covington stated as she said earlier she was heartened by the community meeting, but that she was very disheartened by the Commission meeting to find out that just days following the community meeting, there was another incident and that things were not handled efficiently and carefully. Ms. Covington stated that was very disturbing and as Commissioner Breed at the last Commission meeting, expressed an interest in shutting the site down, she was also now considering that option because she was becoming very frustrated. Ms. Covington stated the health and safety of people was primary, and children, parents and school administrators who were losing sleep due to the uncertainty of the ill effects of the dust they inhaled would not make for a serene life. Ms. Covington stated she was totally dismayed with the prospect of continuing ill health effects on the children who had been exposed to dust that may be laden with toxic substances. Ms. Covington asked Ms. Amy Brownell of DPH if she had spoken with Dr. Mitchell Katz, the Director of Health, about whether or not a protocol could be developed to examine the children who were exposed and even though this had not been done before, there was a lot of anecdotal information about how the children may have been impacted, and if the children's health could be monitored.

Ms. Amy Brownell of the DPH, stated as she had mentioned at the community meeting, medical monitoring for asbestos was unprecedented for the kind of very short-term, low level exposure according to discussions with toxicologists. Ms. Brownell stated she had not had the opportunity to ask Dr. Katz about the proposed medical monitoring, but that she would as soon as possible. Ms. Brownell stated with regard to dust, she had heard

that the meeting with the parents was tentatively scheduled for December 21st, and that she wanted to make sure that she could gather all of the experts to be available to attend that meeting to discuss not only the environmental issues, but also medical monitoring.

Commissioner Covington stated what she would like to see was an interview of children and parents about what had happened and what they felt physically after being exposed to the dust, and that she wanted to find out from the parents about how they felt that their children's health was impacted. Ms. Covington stated there should be some measurement of lung capacity and a basic examination as one would have when getting a checkup at the doctor's office, and that she would like to see this happen in concert with feedback from Minister Christopher Muhammad and Dean Leon Muhammad. Ms. Covington stated there were assertions that the monitoring equipment was inoperable for three months, and asked if that was true.

Ms. Brownell stated from the time the significant earth work began on April 25, 2006 until August 2, 2006, there was a problem with the asbestos air-sampling equipment, and there was no data for that period of time. Ms. Brownell stated there was dust monitoring data from the dust particulate monitoring equipment from the end of June 2006 to the present.

Commissioner Covington asked what happened on weekends when there was no construction activity, but the wind was still blowing, and asked if there misting systems operating during the weekends, because the wind did swirl in that area and dust would get on cars and all over including people in the area.

Ms. Brownell stated that when there was not construction activity, the dust levels were down. Ms. Brownell stated she observed that during construction activity when the contractor was watering the site, there was not a dust problem and if they were not watering the site sufficiently, there was dust in the air. However, she had also done inspections at the end of the work day, around 6:00 in the evening, and although she agreed there was wind in the area, there did not appear to be dust visibly blowing around.

Commissioner Covington asked if it would be possible to have a water truck come every morning before school started and water the playground because she would feel much better if every morning, the playground was watered and cleared of the dust.

Ms. Brownell stated that was something that could be discussed with Lennar.

Commissioner Covington asked what apparatus was workers required to wear to prevent inhalation of asbestos-laden dust.

Ms. Brownell stated that for this project, there was no requirement for workers to wear such apparatus because of the low and conservative levels of exposure.

Commissioner Covington asked if the DPH kept a log of workers who might have complained about bronchial or respiratory distress.

Ms. Brownell stated she was not in charge of worker exposure or assessment, and that would be the responsibility of Lennar and its contractors.

Ms. Sheila Roebuck from Lennar stated that Lennar did not keep a log of workers' complaints and that the requirements of California Occupational Safety and Health Administration (CAL OSHA) require that worker protection be the responsibility of the employer, which was Gordon Ball, but CAL OSHA did require that the results of the monitoring of employees be posted, and there was an independent contractor performing the personal air monitoring for the workers at the Shipyard.

Commissioner Covington asked if there was a representative from the contractor, Gordon Ball in attendance.

Ms. Roebuck stated there was no representative from Gordon Ball in attendance.

Commissioner Covington asked who was responsible for levying fines for non-compliance.

Ms. Roebuck stated to date, there had been no fines for non-compliance, but Lennar had an outstanding notice of violation from the Air Quality Board that may include a financial penalty, however, the Air Quality Board had not completed its review of what the penalty might be.

Commissioner Covington asked what the recourse was if a company was out of compliance for three months, and what would be done to let the contractor know that this was a serious matter.

Ms. Roebuck stated that Lennar considered it a very serious matter and that they did not need a notice of violation to consider it serious because they also cared about the health of their workers and people in the community. Ms. Roebuck stated that the notice of violations they had received were extra notice to Lennar about the seriousness of the matter, but that the financial implications of the notice of violations were not the thing they considered most serious, but what they considered most serious was the health of the community.

Commissioner Covington asked at what point Lennar would consider the notice of violations serious enough to do something about it.

Ms. Roebuck stated the regulatory framework that included the notice of violations did require with each notice of violation that actions to augment monitoring controls be improved and reported. Ms. Roebuck stated with each notice of violation there was a required time frame in which Lennar had to respond and that response would include an entire listing of actions taken by Lennar to improve the situation.

Commissioner Covington stated in other words, there would be a blizzard of paperwork that Lennar would do to respond to the notice of violations. Ms. Covington inquired about penalties for the violations and asked if Lennar had other asbestos issues in other projects in the nation.

Ms. Roebuck stated it was not just paperwork, which reported on the physical actions that occurred, and that penalties were established by the Bay Air Quality Management District (BAAQMD) and they could address the penalties question. Ms. Roebuck stated to her knowledge, Lennar had not had an asbestos issue in its other projects in the nation.

Ms. Janet Glasgow from the BAAQMD, stated that the contractor was cited for non-compliance during the three month period, which was a written notice of violation that would be reviewed by the district's legal division who will determine the penalties. Ms. Glasgow stated the California Health and Safety Code sets out a framework for seeking penalties based on liability, negligence and willfulness. Ms. Glasgow stated the corrective action would be put into place immediately following the notice of violation, which the district verified, whereas the penalty was often imposed later as part of the enforcement process, and was meant to be a penalty for the action itself, as well as a deterrent to future problems.

Commissioner Covington stated that was what the community wanted was a deterrent to future problems. Ms. Covington asked if the matter was being reviewed by the district's legal division. Ms. Covington asked what penalties had been imposed in the past to contractors that were found out of compliance.

Ms. Glasgow stated following review by the supervisor, the matter would be sent to the legal division for review. Ms. Glasgow stated this was the first of its kind in the district and probably in the State of California, and as Ms. Brownell stated, this was a very proactive and very conservative level of exposure. Ms. Glasgow stated the state law, specifically the air toxic control measure, which the contractor was complying with, did not require monitoring and left that to the individual districts as to whether they wanted

to impose monitoring. The BAAQMD, because of the proximity of sensitive receptors including schools, the District chose to impose monitoring and set the trigger levels for action. Ms. Glasgow stated that the District had never been in this situation in which Lennar came in and self-reported that they discovered a problem with their monitoring, something that the District would have never been able to determine, and the District cited them. Ms. Glasgow stated there was no precedent for the present situation and they would wait to see what the attorneys come up with.

Commissioner Covington stated there was a need to establish a calendar of meetings similar to the community meeting held on November 29th in order to discuss the issues as a group. Ms. Covington stated she was proposing that there be at least monthly meetings with the group that gathered the last week.

Commissioner Breed asked Mr. Saul Bloom why Minister Christopher Muhammad did not receive notification about the meetings that took place.

Mr. Saul Bloom of Arc Ecology stated he did not know why and that they were surprised when they found out that Minister Muhammad did not receive information about the meetings. Mr. Bloom stated the mosque is on the distribution list, as well as the school, but their canvassers reported that the school was closed, so they sent the flyers to the mosque and assumed that the school would be notified. Mr. Bloom stated when they found out that the school's minister was not notified, Mr. Jesse Mason of Arc Ecology contacted the minister (last week) and met with him as soon as they found out there was a problem. Mr. Bloom stated they were not aware that there was a problem with the notification, and that as many meetings as they had in the community about environmental issues, there was a certain rhythm of who attended the meetings because of their interests. Arc Ecology had found out that often times people did not demonstrate a lot of interest until issues impact their interests. Mr. Bloom stated that for example, in 2000, following the aftermath of the fire, there were 300 people who attended the first meeting, then 50 people in the follow-up second meeting, and only 20 people in the third meeting because there were so many meetings and driving issues such as violence and poverty and other community issues. Mr. Bloom stated they were not aware of any problems regarding the Nation of Islam's receipt of information, and when they heard about the problem, he immediately met with the minister and would be discussing with them a better way of contacting them to assure them that there was opportunity to participate. Mr. Bloom stated they chose this model of outreach based on 20 years of outreach in the community and knowing how many people attended the meetings.

Commissioner Breed asked if there were regular people who attended the meetings and how many. Ms. Breed asked if written material was provided

as part of the outreach. Ms. Breed asked how many of the people who attended the meetings were from the immediate vicinity of the school.

Mr. Bloom stated there were about 15 people that regularly attended the meetings and there was always written material that accompanied the notice of the meetings, including presentation materials and slide shows as well as background material available at the meetings. Mr. Bloom stated they were also working on a monthly newsletter for community-wide distribution. Mr. Bloom stated that the majority of the people who attended the meetings were from the vicinity of the school, including residents from Morgan Heights, Mariners' Village, residents from public housing along Kiska and Kirkwood, Shoreview Apartments and All Hollows Apartments.

Commissioner Breed stated as a person who did not like attending meetings, she thought it was unfortunate to require the minister or members of the mosque to attend such tedious community meetings, and outreach efforts should be aggressive toward the YMCA group and the school, more than the stores and other places the outreach had gone to. Ms. Breed stated she would like to see a working relationship developed with the minister as well as the director of the YMCA to ensure that materials were brought to them and that they were consistently informed and questions answered and issues addressed even before the materials were provided. Ms. Breed stated the school was doing a great job and their time and energy should be focused at the kids and not wasted at community meetings by bringing the information to them. Ms. Breed stated she supported Commissioner Covington's recommendation to do one-on-one medical assessments with the parents and children to determine health issues, and that she was sure that actual testing for asthma and respiratory issues could be done because of the immediate health impacts that could be determined at this time and the testing had to take place as soon as practicable and if possible, along with the planned meeting with the parents, in order to make it easier for the parents, children and the school so that the concerns would be addressed and solutions offered. Ms. Breed asked if that would be possible.

Ms. Brownell stated she would speak with the medical staff at the Department of Public Health.

Commissioner Breed stated she was extremely disappointed with the testimony from the public and that she did not think any of the stories were made up. Her experience with Lennar had been great because they had always been supportive and involved with the community and forthcoming with information, and she thought this was a case of Lennar's contractor for some reason, was not taking the health of the community seriously, and it was Lennar's responsibility to make sure that they were hands-on when dealing with their contractors. Ms. Breed stated the environmental issue was a much bigger issue than just testing and coming up with solutions to

the problems because there was a loss of public trust in the community and that she could not serve as an Agency Commissioner if she was not doing everything in her power to ensure that the public trust was regained because she was a part of the community that she served. Ms. Breed stated she thought that the minister's suggestion was reasonable, that there should be health screening and interviews with the parents and children to give the parents some confidence about the health of their children. Ms. Breed stated she did not come to the meeting with the mindset of shutting down the site, but with the incident that occurred last Thursday following the community meeting, she had reached her limit and thought that the work should not continue at the site until the children at the school were relocated to another location and the minister was satisfied with the steps to be taken to ensure that the children would be safe because she was not comfortable with the whole situation. Ms. Breed stated she did not think that anything was done intentionally, but she was disappointed and did not understand why after meeting with Commissioner Covington, the minister, Lennar and others, there was an incident the very next day. Ms. Breed stated she did not know what to say and although she appreciated the historical environmental background, the problem was not that the Shipyard was safe, but that the work that was being done was not done safely or appropriately, and until there were some assurances otherwise, she did not have any trust in the group that was performing the work at the Shipyard. Ms. Breed stated she understood that problems occur, but after such an explosion at the previous Commission meeting, there should not even be questions at this meeting. Ms. Breed stated she would like her suggestions to be followed and that monitors be installed as previously indicated.

Ms. Brownell stated that two monitors were installed at the school.

President Peterson asked how long the grading work would take.

Mr. Koffi Bonner of Lennar, stated they expected the grading work to continue until February 2007, followed by the installation of utilities so there would be continuing infrastructure work on the site, with the hope of selling the completed parcels by August 2007.

Commissioner Breed asked Ms. Brownell what happened with the water on Thursday and whether she ran into the dean that day when the dust problem occurred.

Ms. Brownell stated the sequence of events that occurred last Thursday was that she was called by a community member around 10:00 Thursday morning stating there was a dust problem, and that she immediately sent an inspector to the site to investigate. The investigator reported to her that indeed, there was a dust problem, and the contractor continued longer than they should have, which was why the department issued a notice of

violation. Ms. Brownell stated that the following day, because the asbestos air samples took 24 hours to detect, it was found that the asbestos level was also above the trigger levels that day.

Commissioner Breed asked if there were water sprinkler systems that dealt with the dust problem.

Ms. Brownell stated the inspector observed as Dean Muhammad had mentioned, the water trucks came around 10:52 a.m. and were suppressing the dust properly and rectified the dust control situation, and she did not know prior to that time how long the dust problem was going on. Ms. Brownell stated she spoke with Lennar and was assured that the site had been watered in the morning around 7:30 a.m. and may have been watered more times after that, but from the time that the DPH inspector observed the site, the site was not watered until around 10:45 a.m. Ms. Brownell stated she called the school and spoke with Dean Muhammad the next day on Friday and confirmed that he was on the site the day before.

Commissioner Breed stated the Agency wanted the school notified when a shut down of the site occurred and not after.

Ms. Brownell stated there were two different regulatory mechanisms in place, one was the dust and another for the asbestos. The dust problem was observed on Thursday, and there was no shut down because they did not know that the asbestos was above the trigger level. It was not until Monday that they heard that Lennar was notified about the asbestos level and that was when the site was shut down, and she called the school that Monday to report the shut down.

Commissioner Breed requested verification that the site could not be shut down on Thursday because the monitor data could not be read for 24 hours and could not determine the asbestos level until Monday.

Ms. Brownell stated her regulatory oversight was for visual dust and the department inspector observed it on Thursday and reported it as a violation. The shut down was through the monitoring that Lennar did itself and notified the BAAQMD. As a courtesy, they also notified her, and then she notified the school. Ms. Brownell stated she notified the school about the dust problem as soon as she knew on Thursday and also notified the school about the asbestos level as soon as she heard on Monday.

Commissioner Breed stated that at the meeting with Lennar and others, she took to heart what Mr. Bonner said, which was that Lennar did not want to develop a site at the expense of creating health problems for people in the community, and thought that if that sentiment holds true, there needed to be a way to come up with the best solution, and as far as she was concerned,

the best solution was to take the recommendation of the minister to shut down the site until the medical screening of the children was conducted in order regain the public trust for the Agency, which was trusting Lennar on the project. As a Commissioner, she wanted to make sure that Lennar had the public trust along with the Agency, and at the moment, the only way she saw that could be done was to conduct a health screening and interviews with the parents and children, and either shutting down the site or relocating the school so that the children would not be directly impacted and to be assured that Lennar's contractor would do everything it was supposed to do to ensure the safety of the residents and everyone in the community.

Mr. Bonner stated he agreed with Minister Muhammad that decisions should not be made because of politics or economics because that was not how Lennar came to this point in the development of the Shipyard. Mr. Bonner stated Lennar got to this point based on science and the regulatory agencies that governed the development process directs how and what the development process should be as well as the levels set by scientists and health experts was how Lennar had proceeded with the development. Mr. Bonner stated that the shut downs had been so that the community could go about its business and Lennar shut down its construction activities so that the community was not endangered in any way. However, none of that really mattered if the Commission or the community thought that Lennar was endangering the community with its construction work. Mr. Bonner stated he hoped that Lennar was building a long-term trust with the community as their work was governed by the science and not necessarily by politics or economics, and that they believed that in order for Lennar to practically develop in the Shipyard, they had to absolutely maintain the trust of the community and certainly the trust of the Agency. Mr. Bonner stated he would suggest that to the extent that the Commission truly believed that Lennar's activities were creating harm to the community and to the extent that the Commission believed it needed a better understanding of the science and to the extent that members of the Commission and the community believed that Lennar was doing things that were inimical to the health to the health children, then certainly perhaps it would be necessary to wait until the Commission was sure that what Lennar was doing was appropriate. Mr. Bonner stated he believed they were doing the right thing in accordance with science, and Lennar could not continue to be accused of covering something up or willfully poisoning the community because of profits and Lennar could not be put in that situation because that would be unfair to Lennar and the community because their work was being governed by all of the regulatory agencies responsible for setting the environmental thresholds for the development work at the Shipyard. Mr. Bonner stated there was a long journey ahead toward the transformation of the Shipyard into a project that everyone could be proud of. Mr. Bonner stated that Lennar was a national public company and the accusations and allegations were very serious and that he believed that the science would prove them right. Mr.

Bonner stated that as the Commission gains more confidence in the science that governed Lennar's work and through further conversations with the DPH and BAAQMD the same way that Lennar had to understand the science in order for them to proceed, perhaps Lennar should step aside, but that was something he did not believe should be done because of their present activities, but that he believed that would serve the development well in the long term because Lennar could not continue to be accused of hurting the children.

Commissioner Breed asked if Mr. Bonner knew about the dust problem and watering of the site last Thursday.

Mr. Bonner stated that with all of the various representatives from Lennar, the contractor and consultants monitoring the work, he understood that indeed there was watering of the site in the morning, but clearly the effects were indisputable and there could and should have been more watering and it sounded like there was not enough at the time.

Commissioner Breed asked if the contractors and consultants understood the importance of controlling the dust given the issues and the predicament that the project was presently in.

Mr. Bonner stated that when he heard Thursday about the incident, he erupted and that he guaranteed that the contractor understood.

Commissioner Romero stated as he mentioned at the previous Commission meeting, during the 10 years as a Commissioner, the Agency had been working on the Shipyard and recalled many meetings attended by hundreds of people who demanded that the Agency do everything it could to expedite the development of the Shipyard. Mr. Romero stated the Agency was always very careful as it progressed, to make sure that the Shipyard parcels were going to be clean, safe and livable and there a lot of toxics that the Navy was responsible for and a big part of the delay was due the Agency's concerns that the land be clean when it was turned over to the Agency. Mr. Romero stated the situation before the Agency was different as he had not heard any disagreement that the serpentinite rock was there naturally and that it was all over the City, that unquestionably it had been released in other construction sites, but this was not something that the Agency had been totally unconcerned with during the 10-year period. In fact, the concern was paramount, even when people were pressing the Agency to move forward and yet, the Agency moved very deliberately. Mr. Romero stated he had been listening carefully to everything that was being said and it would be easy for him to agree, which would make him very popular, but he was not there to win a popularity contest because he was there to listen not only to the testimony of the public, but also staff and other representatives from other City departments. There was a letter from the DPH Director stating

that currently, there was not a public health hazard from the conditions at the Shipyard, and there were a lot of people that did not agree with that, but that he did not know if that was true. Mr. Romero stated he did know that scientific evidence was measurable and that there would be people that would disagree about what the scientific evidence showed. Mr. Romero stated from the things that were said at the meeting, it was not that the Agency was unaware that there may be pollutants in the air when the grading work began, but the plan was to monitor the air and when conditions reached certain levels, which were set conservatively for safety reasons, that then the grading work would cease. Mr. Romero stated he heard that the air monitors did not work for a period of time, and there may have been massive amounts of asbestos released into the air during that time or there may not have been more than what had been seen, which were at levels that were considered safe. Mr. Romero asked rhetorically, which would he believe and would he make a judgment based on two meetings and maybe two hours of public testimony from some folks who were very emotional about the issues and some who were not. Mr. Romero stated he would not make such a judgment because the Commission was faced with two extremes, where on one hand, there were "baby killers" and that just was not true because the Agency was very concerned about the health of the children at the school and throughout the area that were affected by the construction at the Shipyard. Mr. Romero stated he wanted to know why there was not testimony from other people living in the area and all the testimony was coming from the school because he had not heard others come forward. Mr. Romero stated the other extreme was to shut the whole project down and that did not seem to make sense, and that he wanted people to have open minds about all of the issues because it was easy to get emotional about issues like this and it was not necessary to go to extremes. Mr. Romero stated what was needed was some cool heads to deal with the reality that faced the Agency and the community, and one might ask that if there were these asbestos pollutants in the air and Lennar and its contractors were violating the laws and endangering the children, why were people allowing the children to stay in that environment? The Agency had no control over that and could not tell the parents to take their children home if the conditions were dangerous. Mr. Romero stated these were rhetorical questions and maybe people were wondering about these things, but that he was not and all he was saying was that there were always two sides to a story, and why has it not been suggested that the school be temporarily relocated since the grading work was scheduled to complete in February 2007 and why has not someone explored that possibility. Mr. Romero stated the other alternative of completely shutting down the project was extreme and maybe that would happen, but that he had not heard enough evidence to come to that conclusion. Mr. Romero stated he would remind that this was a workshop to gather information and to educate everyone about the issues and the Commission would not be taking action, and that was why he was listening and posing questions. Mr. Romero stated those

on the other side of the issue may say that he did not care, but that he absolutely did care and stated that if one played hard ball and took extreme positions, at some point someone would ask for proof of the allegations that the children had been harmed and that he did not know if that could be proven. Mr. Romero stated he was more interested in finding a solution to the problem, and if indeed the children had been harmed, he would want that to be remedied, but so far, he had heard a lot of allegations and accusations and if they could be proven, people would be held to account, but the Commission meeting was not the forum for that. It was important to keep minds open because of all the competing interests, and Lennar had a great deal at stake even if people thought that Lennar did not care about the community's health, but that he was certain that Lennar did care, they had millions of dollars at stake at the Shipyard and they would do what was necessary to protect their interest, and urged the community to work with Lennar. Mr. Romero stated that his comments may not be completely agreeable to certain people, but that he was simply posing questions and that he would not make any judgment because there was a lot of conflicting evidence as well as a lack of evidence. Mr. Romero stated it sounded to him that there had been some mistakes and that there was monitoring that should have been done, but that was not clear in his mind and that did not lead to a solution to the current problem. Mr. Romero stated he would suggest to look at what could be done immediately to protect the health of the people that may have been exposed and hoped that people would refrain from attacks because that would not be productive.

Commissioner King stated he wanted to point out that when the school moved into the area, Lennar was already working at the Shipyard and had invested a lot of money in the development, and now Commissioners instead of relying on the specialists and technicians to address the environmental issues, they were suggesting taking over the project. Mr. King stated it was the responsibility of the Commission to hire the professionals to do the work and not to come in and take over a project and that was what he was hearing from his fellow Commissioners. Mr. King stated the Agency had staff that was supposed to do the necessary research and professional work and that was the responsibility of staff, and although he liked Commissioners Breed and Covington, he thought they were moving in a direction to take over the project from the staff, developer and the professionals. Mr. King stated in addition, there was CAL OSHA who had oversight on worker safety conditions, not to mention the labor unions that monitored workers' health and safety. They would not sit idly by while their workers' health was jeopardized. Mr. King stated he would like to see the matter put into the hands of Agency staff, the consultants and technicians that the Agency hired, and the health and safety experts that monitor the project because that could not be done effectively by the Commissioners. Mr. King stated he agreed with some of Commissioner Romero's statements because Lennar had done a good job at the Shipyard

and had invested millions of dollars into the project even before starting any construction work. Mr. King stated he wanted to say to Commissioners Breed and Covington that the Commission should let the staff and consultants do their work because that was what they were paid to do. Mr. King stated everyone knew of the toxics at the Shipyard and Minister Muhammad knew about the ongoing development because they had a big celebration when the school opened. Mr. King stated as Commissioner Romero mentioned, the Navy had to do a lot of remediation work at the Shipyard in order to convey clean land to the Agency and the City, and that the Commission needed to step back because the Commission was not in a position to do anything. Mr. King stated as far as meeting with the parents and children, he thought that was not necessary because the parents knew what was going on as well as Minister Muhammad, and having meetings would just be "sugar-coating" the issues. Mr. King stated he thought it was time to rely on the professional staff and consultants to address the issues because the Commission was the policy-making body of the Agency and it was responsible for setting Agency policies, and recalled previous arguments that the Commission interfered too much with staff over the years and that now, he thought it was appropriate to let staff do its professional work as well as the paid consultants hired by the Agency in addition to all of the regulatory agencies monitoring the development at the Shipyard. Mr. King stated he wanted to point out that the Agency hired Mr. Saul Bloom and Arc Ecology as well as Ms. Willie Kennedy to conduct the outreach and monitoring for the Agency and they should continue to do that work on behalf of the Commission.

Commissioner Singh stated with most of his fellow Commissioners' comments and that he agreed with Commissioner King that the Commission was responsible for setting the Agency policies and staff was responsible for enforcing the policies. Mr. Singh stated that everyone was concerned with the health of the children and that he would not put his children to harm and believed that something should be done, but that Commissioners were not the scientists and health experts. Mr. Singh asked if it was possible to do the grading work in the evenings when the school was closed.

Mr. Bonner stated of course, that would be possible, but that he would rather not do that and be governed by the science and the regulatory agencies monitoring their development activities, because at the present time, the regulatory agencies were telling them that Lennar's work was not creating health issues in the adjacent community, and that he would rather not shut down the work, but that Lennar had to work with the Commission and the community, and there must be trust that Lennar was indeed doing what it was supposed to be doing.

President Peterson stated he really wanted to thank the young folks who had been at the meeting for almost four hours so well-behaved and had patiently

waited, which was indicative of good parents and leaders at the school, and thanked them for coming to the meeting.

President Peterson asked if there was anything more that Lennar could do in terms of watering the site to control the dust on the site.

Mr. Bonner stated he understood from the experts that the site should be watered as much as possible while maintaining safety on the site as well as control the dust, however, given the hilly terrain of the site, it could only be watered enough so as not to create difficult conditions for the workers going up and down the site.

President Peterson stated he would urge Lennar to figure out a way to water the site adequately to control the dust at the same time maintain the safety of the workers. Mr. Peterson stated he would also urge Lennar to lean on its contractors to enforce the dust control measures so that the same thing would not happen again, because there was a sense from the Commission that if the same thing occurred, there would be a desire to shut down the work because everyone cared about the health of the children and the community. Mr. Peterson stated that if the dust could be controlled with the deterrent protocols and the monitoring was in place and the monitors were operable and everyone was doing what they were supposed to be doing, then there should not be the occurrence of these problems. Mr. Peterson asked Mr. Bonner to do everything he could to ensure the contractor's compliance and enforcement of the controls.

Commissioner Covington stated there needed to be at least one more meeting so that members of the community who were not able to make the last meeting could attend the next meeting, and that she would certainly make herself available for that meeting, and the meeting should be scheduled over the next three weeks. Ms. Covington requested the Executive Director to facilitate the scheduling of the meeting.

Executive Director Rosen stated that she would facilitate the scheduling of the meeting.

Commissioner Covington stated on the point that the Commission was a policy-making body, policy was not made in a vacuum and there needed to be information gathering and adequate time to digest the information in order to make the best informed policy possible.

Commissioner Breed stated she wanted to respond to Commissioner Romero's comments about possible relocation of the school to another site, and that she thought that option should be explored, which was suggested by a member of the public as well as herself. Ms. Breed stated it was easier said than done to just pick up and leave the school or go inside, because that

would not be fair to put the burden on the school because the Agency should take the responsibility as Commissioners and staff to do whatever they could to make sure that there was a safe environment either by enforcing regulations or by looking into other alternatives. Ms. Breed stated as far as she was concerned, it was the responsibility of the school was to teach the children, and it was a disservice to require so much time and attention away from that important work. Ms. Breed stated as far as moving forward with the project, besides Commissioner Covington and herself, the other Commissioners seem to want to move forward and rely on the information provided, and she did not want to dispute the information provided and thought that Ms. Brownell and DPH and others had done a thorough job. She saw as the root of the problem was Lennar's contractor and the issue was not the property being clean or the investment that Lennar had put into the Shipyard or all of the work that had been done prior to this time because as everyone saw, all it took was one incident that could ruin the whole thing. Ms. Breed stated she had not lost confidence in Lennar as an organization and had known and trusted Mr. Bonner for a long time and believed he was a person of integrity, and had also known Mr. Muhammad for a long time and admired both men tremendously. Ms. Breed stated there had to be way to get the matter resolved, and reiterated her earlier suggestion to move aggressively with the health screening of the children and provide information to the parents, in consultation with Mr. Bonner and Minister Muhammad. Ms. Breed stated she did not feel comfortable with moving forward with the project until there was some resolution and that the Commission could not vote on the matter because this was a workshop and not an action item. Ms. Breed stated the Agency also needed to entertain the possibility of relocating the school and if necessary, at the expense of the Agency. Ms. Breed stated she agreed with Commissioner Covington that there needed to be another meeting because obviously, the matter would not be completely resolved, and that she would be available for the meeting.

President Peterson thanked the Commissioners for their input and thanked everyone who came to the meeting and stated he hoped that the community knew that the Commission had taken the matter seriously and would continue to do so.

Items 4 (f) and (g) were presented together and acted upon separately.

- 4 (f)** Resolution No. 159-2006, Authorizing a First Amendment to the Amended and Restated Exclusive Negotiations Agreement (Phase 2,-Hunters Point Shipyard) with Lennar/BVHP, LLC, a California limited liability company, as the primary developer of the remainder of Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

- 4 (g) Resolution No. 160-2006, Authorizing an Amended and Restated Personal Services Contract with Treadwell & Rollo, Inc., a California corporation, to extend the contract term by three years for a total aggregate term of six years and to increase the contract amount by \$645,000 for a total aggregate amount not to exceed \$1,005,000 for environmental review services in furtherance of: (1) the Phase 1 development at Hunters Point Shipyard; and (2) the transfer of additional property at Hunters Point Shipyard from the United States Department of the Navy to the Agency; Hunters Point Shipyard Redevelopment Project Area

Commissioner Covington put forth a motion to continue items 4 (f) and (g) to the second meeting in January 2007.

President Peterson asked Commissioner Covington if it would be more appropriate to continue the items to the next appropriate meeting given the uncertainty of the efforts to resolve the issues.

Commissioner Covington stated she would accept President Peterson's suggestion as a friendly amendment to her motion.

Commissioner Romero stated he did not see any reasons to continue the items and that he would vote against the continuance because he did not see the connection between items 4 (f) and (g) and what was discussed at the workshop.

Commissioner King stated he was opposed to continuing the items and thought that Lennar had done a good job and that the work should move forward.

Commissioner Breed asked Commissioner Covington to explain why she wanted the items continued.

Commissioner Covington stated that item 4 (f) was for Phase 2 of the Shipyard and the Commission had extensive discussion about Phase 1 and that she thought for total transparency, it would be prudent on the Commission's part to address some of the issues that had been brought up for the past month before the Commission voted on item 4 (f). Ms. Covington stated she was not saying that she would vote against the item at that time or at any time, but thought that the Commission would be well-served to have somewhat of a cooling-off period and have the second community meeting and have some more feedback about Phase 1 before the Commission widens the area that Lennar was in charge of.

Commissioner Breed stated that what the Commission would like to see was to make sure that Lennar would have an opportunity to redeem itself in Phase 1 with the problems that had occurred before the Commission would

consider extending the amount of property Lennar was asking for, and to continue the item for two weeks. Ms. Breed asked Mr. Bonner how he felt about the motion to continue the items.

Mr. Bonner stated he would rather not see the items continued because they along with everyone else were working through a solution to the problems and would continue to meet with the community whenever they were asked to. Mr. Bonner stated if Commissioners believed that there was a need for Lennar to redeem itself, then the Commission had the authority and the position to do that. Mr. Bonner stated in some respects, he thought it would be nice to have a vote of confidence in Lennar continuing to work with the Commission and the City by authorizing Lennar to proceed on the exclusive negotiations for Phase 2 even as Lennar continued to work with the community and that he wanted to point out that the specific task that they would be undertaking during the upcoming period would have everything to do with those matters that the Commission had spoken about at the meeting, and that was to deal specifically with the environmental situations for the rest of the Shipyard parcels in working with the U.S. Navy. Mr. Bonner stated that items 4 (f) and (g) were related because the work of Treadwell and Rollo, which was the City's consultant, would be funded by Lennar through the Agency to ensure that the Navy's environmental work was exactly what the Commission had mandated. Mr. Bonner stated the Commission's vote on these items would be a direction toward funding the course of moving forward and continuing cleanup and hopefully, accelerate the remediation by the Navy, rather than sending the message of a slow-down at the Shipyard.

Executive Director Rosen stated she wanted to clarify that under the existing Exclusive Negotiations Agreement (ENA), the Agency was bound to negotiate exclusively with Lennar for the remainder of the Shipyard parcels, so the amendment would not give additional territory to Lennar because that was already covered under the existing ENA. Ms. Rosen stated the existing ENA expired on December 2nd and the proposed extension was structured to allow the Agency and Lennar to continue to do work. Ms. Rosen stated the contract with Treadwell and Rollo under item 4 (g) included funds to continue work in monitoring the Phase 1 development as well as their work in advising the Agency on the Phase 2 environmental issues, which were combined in that one contract, which would be funded by Lennar. Ms. Rosen stated she wanted to make sure there were enough funds to continue the monitoring work on the substantial work on Phase 1.

Commissioner Breed asked what the risk was in continuing the items for two weeks.

Executive Director Rosen stated that Lennar would be at risk of being further out of contract for that period of time, and they had been out of contract since December 2nd.

Commissioner Breed stated this was a difficult decision and although she was prepared to support the items, in light of her understanding from Commissioner Covington, she would second Commissioner Covington's motion to continue items 4 (f) and (g), and would await her fellow Commissioners' thoughts on the matter.

Commissioner King stated he was speaking against the motion to continue, and that he thought that Lennar deserved the extension of the exclusive negotiations because they had worked well with the Agency. Mr. King stated he was prepared to vote for items 4 (f) and (g).

President Peterson asked if there were any members of the public who wanted to speak on the motion to continue.

Speakers: Al Norman, Scott Madison, Saul Bloom, John Schweizer

Commissioner Singh stated he was against the motion to continue the items and that the Commission should go ahead and vote on the items on the agenda.

Commissioner Romero stated he appreciated the additional information from the public and members of the Shipyard CAC who did not want the items continued. Mr. Romero stated that when the Commission selected a master developer for the Shipyard, he did not vote for Lennar and voted for Forest City instead and that he was not in Lennar's pocket and was not a big Lennar fan, but they were selected to be the master developer and it looked like they were doing a decent job of developing the Shipyard. Mr. Romero stated he did not believe the items were related to the previous workshop, and just because there were allegations, it did not mean that the project should be stopped. There was no proof of the allegations against Lennar's contractor, and the Agency should move forward with the items.

President Peterson stated he would support the motion to continue the items, because it did not seem of critical importance in terms of the timing.

MOTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, TO CONTINUE ITEMS 4 (f) RESOLUTION NO. 159-2006, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AGREEMENT (PHASE 2,- HUNTERS POINT SHIPYARD) WITH LENNAR/BVHP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS THE PRIMARY DEVELOPER OF THE REMAINDER OF HUNTERS POINT

SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, AND 4 (g) RESOLUTION NO. 160-2006, AUTHORIZING AN AMENDED AND RESTATED PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, INC., A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM BY THREE YEARS FOR A TOTAL AGGREGATE TERM OF SIX YEARS AND TO INCREASE THE CONTRACT AMOUNT BY \$645,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,005,000 FOR ENVIRONMENTAL REVIEW SERVICES IN FURTHERANCE OF: (1) THE PHASE 1 DEVELOPMENT AT HUNTERS POINT SHIPYARD; AND (2) THE TRANSFER OF ADDITIONAL PROPERTY AT HUNTERS POINT SHIPYARD FROM THE UNITED STATES DEPARTMENT OF THE NAVY TO THE AGENCY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, FOR TWO WEEKS, TO THE COMMISSION MEETING OF DECEMBER 19, 2006, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Romero
Mr. Singh

AND THE FOLLOWING WERE ABSENT:

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, THREE (3) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED WITH A TIE VOTE.

The Commission continued discussion of items 4 (f) and (g).

- 4 (f)** Resolution No. 159-2006, Authorizing a First Amendment to the Amended and Restated Exclusive Negotiations Agreement (Phase 2,-Hunters Point Shipyard) with Lennar/BVHP, LLC, a California limited liability company, as the primary developer of the remainder of Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Dorris M. Vincent

Commissioner King put forth a motion to adopt item 4 (f). Commissioner Romero seconded the motion.

Commissioner Breed stated she would support the item and that it was important to move forward, but that the reason she supported the continuance had a lot to do with concerns raised by both Commissioner Covington and President Peterson with the concern of having the appearance of not taking the matters discussed at the previous workshop seriously. If the items could have been delayed, that would have been great, and that did not mean that she did not have confidence in Lennar.

Commissioner Covington stated she would also support the item, but that she was giving public notice that she would put Lennar under increased scrutiny, and that the Commission would like to see more evidence of the kind of hard work and integrity that the Lennar family had.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 159-2006, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AGREEMENT (PHASE 2,-HUNTERS POINT SHIPYARD) WITH LENNAR/BVHP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS THE PRIMARY DEVELOPER OF THE REMAINDER OF HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

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- 4 (g) Resolution No. 160-2006, Authorizing an Amended and Restated Personal Services Contract with Treadwell & Rollo, Inc., a California corporation, to extend the contract term by three years for a total aggregate term of six years and to increase the contract amount by \$645,000 for a total aggregate amount not to exceed \$1,005,000 for environmental review services in furtherance of: (1) the Phase 1 development at Hunters Point Shipyard; and (2) the transfer of additional property at Hunters Point Shipyard from the United States Department of the Navy to the Agency; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 159-2006, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AGREEMENT (PHASE 2,- HUNTERS POINT SHIPYARD) WITH LENNAR/BVHP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS THE PRIMARY DEVELOPER OF THE REMAINDER OF HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h) Resolution No. 161-2006, Adopting an Agency Commissioner Attendance Policy

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON AND MR. YEE ABSENT), THAT ITEM 4 (h) RESOLUTION NO. 161-2006, ADOPTING AN AGENCY COMMISSIONER ATTENDANCE POLICY, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated she heard all of the concerns expressed earlier and that she would be following up on the meetings and actions requested by the Commission.

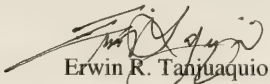
9. COMMISSIONERS' QUESTIONS AND MATTERS None.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:42 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

December 19, 2006

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
19TH DAY OF DECEMBER 2006

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of December 2006, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed, Vice-President
Francee Covington
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Ye

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meetings of November 21, 2006 and December 5, 2006
- 4 (b)** Resolution No. 162-2006, Authorizing a Second Amendment to the Personal Services Contract with Urban Strategies Council, a California nonprofit corporation, to extend the term for a maximum period of six months to be evaluated by the Executive Director on a month-to-month basis, for a total aggregate term not to exceed two years, ending on July 31, 2007, to provide technical assistance and outreach services to the Hunters Point Shipyard Citizen's Advisory Committee in connection with the formation of the quasi-public entity; Hunters Point Shipyard Redevelopment Project Area
- 4 (c)** Resolution No. 163-2006, Authorizing a Second Amendment to the Agency's Master Lease with the United States Department of the Navy to extend the term by two months to February 28, 2007, Hunters Point Shipyard Redevelopment Project Area
- 4 (d)** Resolution No. 164-2006, Authorizing a First Amendment to the amended and restated Hunters Point Shipyard Sublease Agreement with Patterns Limited, Incorporated, a California corporation, doing business as The Point, to extend the term of the sublease by two months to February 28, 2007, Hunters Point Shipyard Redevelopment Project Area

NOTE: There were requests to speak from the public on consent agenda items 4 (b), (c) and (d). These items were withdrawn from the consent agenda and the Commission voted on consent agenda item 4 (a).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT), THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETINGS OF NOVEMBER 21, 2006 AND DECEMBER 5, 2006, BE ADOPTED.

Agency staff made presentations for items 4 (b), (c) and (d).

- 4 (b)** Resolution No. 162-2006, Authorizing a Second Amendment to the Personal Services Contract with Urban Strategies Council, a California nonprofit corporation, to extend the term for a maximum period of six months to be evaluated by the Executive Director on a month-to-month basis, for a total aggregate term not to exceed two years, ending on July 31, 2007, to provide technical assistance and outreach services to the Hunters Point Shipyard Citizen's Advisory Committee in connection with the formation of the quasi-public entity; Hunters Point Shipyard Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff)

Speakers: Scott Madison, Dorris Vincent

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 162-2006, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH URBAN STRATEGIES COUNCIL, A CALIFORNIA NONPROFIT CORPORATION, TO EXTEND THE TERM FOR A MAXIMUM PERIOD OF SIX MONTHS TO BE EVALUATED BY THE EXECUTIVE DIRECTOR ON A MONTH-TO-MONTH BASIS, FOR A TOTAL AGGREGATE TERM NOT TO EXCEED TWO YEARS, ENDING ON JULY 31, 2007, TO PROVIDE TECHNICAL ASSISTANCE AND OUTREACH SERVICES TO THE HUNTERS POINT SHIPYARD CITIZEN'S ADVISORY COMMITTEE IN CONNECTION WITH THE FORMATION OF THE QUASI-PUBLIC ENTITY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (c) and (d) were presented together and acted upon separately.

- 4 (c) Resolution No. 163-2006, Authorizing a Second Amendment to the Agency's Master Lease with the United States Department of the Navy to extend the term by two months to February 28, 2007, Hunters Point Shipyard Redevelopment Project Area
- 4 (d) Resolution No. 164-2006, Authorizing a First Amendment to the amended and restated Hunters Point Shipyard Sublease Agreement with Patterns Limited, Incorporated, a California corporation, doing business as The Point, to extend the term of the sublease by two months to February 28, 2007, Hunters Point Shipyard Redevelopment Project Area

Presenters: Patricia Maitland (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 163-2006, AUTHORIZING A SECOND AMENDMENT TO THE AGENCY'S MASTER LEASE WITH THE UNITED STATES DEPARTMENT OF THE NAVY TO EXTEND THE TERM BY TWO MONTHS TO FEBRUARY 28, 2007, HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 164-2006, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED HUNTERS POINT SHIPYARD SUBLEASE AGREEMENT WITH PATTERNS LIMITED,

INCORPORATED, A CALIFORNIA CORPORATION, DOING BUSINESS AS THE POINT, TO EXTEND THE TERM OF THE SUBLEASE BY TWO MONTHS TO FEBRUARY 28, 2007, HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (e) Resolution No. 165-2006, Expressing appreciation to Juanita J. Johnston upon the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Executive Director Marcia Rosen stated that the Agency was losing five very valued employees who were retiring at the end of 2006, two of whom were on the agenda and were from the Agency's esteemed Contract Compliance Division. Ms. Rosen stated the Commission could see from the audience many representatives from the women, minority and small business community from the Agency's Working Group and the community at large, and thought that was a testament of the high esteem the community held for the Agency's Contract Compliance unit. Ms. Rosen stated she had worked closely with the Contract Compliance staff and had learned a lot and wanted to share with the Commission and public her pride in the Contract Compliance team, her bittersweet feelings about the retirement of the steadfast employees and her high regard and best wishes for a happy retirement.

Presenters: James Fields (Agency staff)

Speakers: Judy Sorro, Beverly Johnson, Romulus Asenloo, James Bealum, Dorris Vincent, Chris Iglesias, Al Norman

Ms. Juanita Johnston stated she had immensely enjoyed her tenure at the Agency and the wonderful opportunity to work on the Agency's projects. Ms. Johnston recalled that she started working at the Hunters Point and India Basin Industrial Park project areas and after a few years her position was terminated and did not think she would be working at the Agency for all these years, but was hired back to work at the Western Addition. Ms. Johnston stated she was glad to come back because she had a wonderful learning experience working at the Agency in the various divisions. Ms. Johnston stated she was grateful for having a great job at the Agency particularly in the Contract Compliance where they were able to help small businesses in various redevelopment project areas, and that she hoped the Agency would continue to embrace equal employment opportunities throughout the City. Ms. Johnston thanked the Commission, Agency and those who came to speak on her behalf.

Commissioner King thanked Ms. Juanita Johnston for her many years of hard work not only in Hunters Point, but also in the Western Addition and the Agency's Contract Compliance Division. Mr. King stated Ms. Johnston had done a wonderful job and wished her the very best in her retirement. Mr. King put forth a motion to adopt item 4 (e).

Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (e) RESOLUTION NO. 165-2006, EXPRESSING APPRECIATION TO JUANITA J. JOHNSTON UPON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (f)** Resolution No. 166-2006, Expressing appreciation to Josephine Lee upon the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: James Fields (Agency staff)

Speakers: Judy Sorro, Romulus Asenloo, James Bealum Mitchell Jamerson, Dorris Vincent, Chris Iglesias, Wade Woods, Rose Berlanga, Finbarr Jewell, Mary Tramil, Shala Davoudi, Rick Moore, Todd Lewis, Don Marcos, Al Norman, Edith Brown, Bayard Fong, Olin Webb, George Bridges, Barbara Banks, Linda Hunter, Oscar James, Rev. Arnold Townsend

Commissioner King put forth a motion to adopt item 4 (f) and stated that Ms. Josephine Lee was part of the Agency's Working Group who helped maintain the Agency's Equal Employment Opportunity Program. Mr. King stated that Ms. Lee along with Ms. Juanita Johnston and Mr. Chris Iglesias worked very hard to maintain the Agency's Contract Compliance Program even with the passage of Proposition 209, which prohibited affirmative action programs, but the Agency developed its own Small Business Enterprise Program and with the tremendous work of people like Ms. Lee, Ms. Johnston and Mr. Iglesias, the Agency continued to have one of the best equal employment opportunity programs in the country and continued to help disadvantaged small businesses in San Francisco. Mr. King stated that as Rev. Arnold Townsend mentioned, the Agency was losing many of its African American employees and the Agency must do all it could to find the same caliber people to replace people like Ms. Lee and Ms. Johnston. Mr. King thanked Ms. Lee for her good work and wished her a happy retirement.

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (f). Mr. Singh stated that the Agency was losing two very hard working and valuable employees in Ms. Lee and Ms. Johnston, and that they would be missed.

Ms. Josephine Lee stated she was overwhelmed with the people who came up to support her and that she was grateful for the opportunity to work at the Redevelopment Agency. Ms. Lee stated she wanted to thank Mr. Ben Hattem, former Contract Compliance Supervisor who had retired from the Agency, because he mentored and trained her and thought that was the reason why she was a great Contract Compliance Officer. Ms. Lee stated she had given many years of her life to the Agency and now it was time to devote more time to herself and her family and thanked the Commission, the Agency and members of the public.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT ITEM 4 (f) EXPRESSING APPRECIATION TO JOSEPHINE LEE UPON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (g)** Resolution No. 167-2006, Authorizing a Tax Increment Loan Agreement with Tenderloin Neighborhood Development Corporation, a California nonprofit organization, in an amount not to exceed \$3,357,348, in conjunction with the development of approximately 78 units of affordable family rental housing at 1036 – 1040 Mission Street for very low income formerly homeless families and families at risk of homelessness; Citywide Tax Increment Housing Program

Presenters: Elizabeth Colomello (Agency staff)

Speakers: Rev. Amos Brown

ADOPTION IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 167-2006, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT ORGANIZATION, IN AN AMOUNT NOT TO EXCEED \$3,357,348, IN CONJUNCTION WITH THE DEVELOPMENT OF APPROXIMATELY 78 UNITS OF AFFORDABLE FAMILY RENTAL HOUSING AT 1036 – 1040 MISSION STREET FOR VERY LOW INCOME FORMERLY HOMELESS FAMILIES AND FAMILIES AT RISK OF HOMELESSNESS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (h)** Resolution No. 168-2006, Establishing classifications of positions and compensation for the Agency staff for fiscal year 2006-07 through 2008-09 and establishing authority for appointment to and vacation from positions under said classifications and other matters

Presenters: James Morales (Agency staff)

Commissioner Yee stated he heard the General Counsel mention in his presentation about the Executive Director's salary increase as well as on the last paragraph of the Commission memorandum, which stated "And, in order to maintain internal consistency and appropriate salary differentials within the Agency's salary plan, the classification of Executive Director is proposed for like increases." Mr. Yee stated he was curious if the Executive Director's employment contract had been extended because her contract had already expired, and asked if the proposed salary increase was appropriate.

General Counsel James B. Morales stated that the Executive Director's employment with the Redevelopment Agency was subject to the Personnel Policy and the Salary Resolution, and that the Executive Director served at the pleasure of the Commission and that would continue under the terms established by the Commission until the Commission changed those terms.

Commissioner Romero put forth a motion to adopt item 4 (h).

President Peterson seconded Commissioner Romero's motion to adopt item 4 (h).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. PETERSON, THAT ITEM 4 (h) ESTABLISHING CLASSIFICATIONS OF POSITIONS AND COMPENSATION FOR THE AGENCY STAFF FOR FISCAL YEAR 2006-07 THROUGH 2008-09 AND ESTABLISHING AUTHORITY FOR APPOINTMENT TO AND VACATION FROM POSITIONS UNDER SAID CLASSIFICATIONS AND OTHER MATTERS, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. King
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 168-2006 WAS ADOPTED.

4 (i) Election of President and Vice President (calendar year 2007)

President Peterson entertained nominations for the office of President.

Commissioner Covington stated she would like to nominate Commissioner London Breed to the office of President. Ms. Covington stated that Ms. Breed had been honored by the State Assembly and was unanimously confirmed by the Board of Supervisors' Rules Committee as well as the full Board of Supervisors to serve on the Redevelopment Agency Commission. Ms. Covington stated that Ms. Breed has enthusiasm and passion for the Agency's work and served the Agency Commission very well during the past year and a half as Commission Vice-President and that she was a person of integrity.

COMMISSIONER COVINGTON NOMINATED COMMISSIONER LONDON BREED FOR THE OFFICE OF PRESIDENT.

Commissioner Yee stated he would nominate Commissioner Rich Peterson to serve as Commission President again because he had been an outstanding President and performed with maturity, fairness and integrity. Mr. Yee stated that Mr. Peterson had shown his capacity to lead the Commission in a peaceful and orderly manner.

COMMISSIONER YEE NOMINATED COMMISSIONER RICH PETERSON FOR THE OFFICE OF PRESIDENT.

Speakers: Rev. Amos Brown, Rev. Arnold Townsend, Carmen Johnson, Jim Queen, Daniel Landry, George Smith, Linda Yokum, Wade Woods, Ed Donaldson

Commissioner Romero thanked both Mr. Peterson and Ms. Breed for their service as President and Vice-President during the past year as they had done a marvelous job of leading the Commission. Mr. Romero stated he was the Commission President when Commissioners Breed, Covington and Peterson were appointed to the Commission in 2005 and that he was about six months into a second term as Commission President, because the

election of officers was delayed until there was a full complement of seven Commissioners. Mr. Romero stated he recalled urging all three newly appointed Commissioners to run for leadership positions on the Commission and none of them wanted to run for President or Vice-President. Mr. Romero stated he thought it was very positive to see that the newer Commissioners wanted to run for office and that the appointment of the three Commissioners was very good for the Agency. Mr. Romero stated the public knew that for a very long time the Commission was divided and Commissioners had difficulties getting along with each other, but now there was new positive energy with the three newer Commissioners and that he really appreciated that. Mr. Romero stated he wanted to dispel the notion that when a Commissioner served as Vice-President, that Commissioner automatically became President, because he served as Vice-President a few years ago and he was not automatically elected as President. Mr. Romero stated that when a Commissioner loses an election, there might be a tendency to take it personally and he hoped that would not happen, because he got over not being elected as President and when he ran for the presidency a couple of years later, he was elected, but it took seven years serving on the Commission before he had the opportunity to serve as Commission President. Mr. Romero stated he did not see that as a negative, but as a learning experience, and that he learned a lot from that experience and appreciated how the relationships among the Commissioners had evolved over time. Mr. Romero stated he wanted to recognize the great job that both Mr. Peterson and Ms. Breed had done in the past year and a half and that he really appreciated the fact that the Commissioners were able to focus on the Agency's business and were able to get along with each other as well as they had and hoped that would continue.

Commissioner King stated he recalled that during the past 20 years, the President generally served two full terms and then the Vice-President would generally move up to become President. Mr. King stated he recalled that he served two terms when he was the Commission President and that he thought it was a bad precedent to not give the opportunity to the current President to serve two full terms. Mr. King stated he thought that Mr. Peterson should have the opportunity to serve a second term as President and then Ms. Breed could serve as President. Mr. King stated he would vote for Mr. Peterson to serve as Commission President and that he did not have anything against Ms. Breed because she was a nice lady and was moving up in her public service.

Commissioner Yee stated that Ms. Breed was an up and coming leader in redevelopment because she was eloquent, charming and as Commissioner Romero stated earlier, had demonstrated her leadership skills in the past year and a half as Vice-President. Mr. Yee stated he had respect and admiration for Ms. Breed and that he was very fond of her, but that he recalled when the dust problem at the Shipyard was brought to the

Commission's attention about a month ago, Ms. Breed stated that the project should be shut down, which was a bit strong-handed in his opinion. Mr. Yee stated in his judgment, he thought that Ms. Breed had to learn to be more tolerant, because the Agency had procedures for dealing with such matters, and if Lennar was found to be in violation of the Agency's rules and regulations, there were procedures to address the issues and procedures to mediate the problem. Mr. Yee stated he believed that Ms. Breed needed more time and experience on the Commission and that he had supported Ms. Breed in the past, but not this time. Mr. Yee stated everyone knew that he had always supported the African-American community and that he would continue to do so. Mr. Yee stated he wanted to clear up the misperception that one individual Commissioner could make things happen without the rest of the Commission, because Commissioners had to work together for the benefit of the community, and not just the President and Vice-President acting on their own. Mr. Yee stated he wholeheartedly supported Mr. Peterson to be elected as Commission President for another year.

Commissioner Breed stated she appreciated members of the public coming to the meeting to support her. Ms. Breed stated that without insulting her fellow Commissioners the same way she felt insulted, she wanted to point out that her appointment to the Agency Commission was unanimously approved by the Board of Supervisors along with a large contingent of community members who came out to lend their support for her appointment, and that she did not know of any other Commissioner that had a larger contingent of community members who came out to support them. Ms. Breed stated that her voice was for the people and not the developer and politics and that she represented the people that were directly affected by redevelopment activities. Ms. Breed stated she made decisions from the heart and it was unfortunate that the election had been politicized, because of commitments made by Commissioners including herself, and because she would not change her position, she was being punished and as a result she would not be elected as President. Ms. Breed stated she knew that she did not have the votes to be elected President and that she was disappointed that she would not have the opportunity to serve as President in the next year, because she had a lot of plans, but that regardless, she would continue to do her best as an Agency Commissioner to push through with those plans. Ms. Breed stated she supported and would continue to support everything in the City and not just the African American community, because her heart would always be in the African American community. Ms. Breed stated that she was not immature and that she had a lot of experiences that her fellow Commissioners would find surprising, and that it was disappointing that someone would speak about her without knowing who she really was and where she came from. Ms. Breed stated she again wanted to thank the community for its support as well as Commissioner Covington for her nomination, and that regardless of not being President, there was still a lot of work to be done, and that she felt blessed to be serving on the Agency

Commission. Mr. Breed stated that as a Commissioner and as the Executive Director of the African American Art and Culture Complex, she would continue to conduct herself with integrity and put the interest of the community first, and that she would continue to work with her fellow Commissioners to bring resolve to the communities that need it most.

President Peterson stated that hearing no other nomination for the office of President, the nominations for President were closed, and requested a roll call vote.

General Counsel James B. Morales suggested that the Commission Secretary conduct individual voice votes of each Commissioner's vote for the office of President from the two nominations.

Commission Secretary Erwin R. Tanjuaquio called for each Commissioner's vote for the office of President from the two nominations, as follows:

Commissioners Breed and Covington voted for Ms. Breed for the office of President.

Commissioners King, Romero, Singh, Yee and Peterson voted for Mr. Peterson for the office of President.

COMMISSIONER RICH PETERSON WAS ELECTED COMMISSION PRESIDENT FOR 2007.

President Peterson entertained nominations for the office of Vice-President.

Commissioner Breed stated she would nominate Commissioner Francee Covington to the office of Vice-President. Ms. Breed stated that Commissioner Covington was approved unanimously by the Board of Supervisors and that she had brought a lot of heart and soul to the Agency Commission with her assertiveness and tenacity, and that she always had the best interest of the community at heart.

Commissioner Romero stated he would second Ms. Breed's nomination of Ms. Covington to the office of Vice-President, because Ms. Covington had been a hard-working and responsible Commissioner.

**COMMISSIONER BREED NOMINATED COMMISSIONER FRANCEE COVINGTON FOR THE OFFICE OF VICE-PRESIDENT.
COMMISSIONER ROMERO SECONDED THE NOMINATION.**

President Peterson stated that hearing no other nomination for the office of Vice-President, the nominations for Vice-President were closed, and requested a roll call vote.

THE COMMISSION VOTED UNANIMOUSLY TO ELECT MS. COVINGTON AS THE COMMISSION VICE-PRESIDENT.

President Peterson stated that he appreciated the support from his fellow Commissioners to continue serving as Commission President, which had been an honor, and that he looked forward to representing the interests of the entirety of the City over the course of the next year. Mr. Peterson stated he wanted to let Ms. Breed know that he has the highest regard for her, and he believed that in the near future, circumstances would be different and that he looked forward to supporting Ms. Breed for President at that time. Mr. Peterson thanked Ms. Breed for her services as Vice-President and that they worked closely together and spoke at least a few times a week, including the bi-monthly agenda-setting conference calls with the Executive Director. Mr. Peterson stated that Ms. Breed was wonderful to work with and they enjoyed a good relationship, and that Ms. Breed is smart and focused and had the ability to bring a lot of detail and background to Agency issues. Mr. Peterson stated that Ms. Breed was a terrific person and that everything that was said on her behalf was true. Mr. Peterson stated he looked forward to working with Ms. Covington during the next year and congratulated her on her election as Vice-President.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Minister Christopher Muhammad, Kofi Bonner, Dr. Rajiv Bhatia, Minerva Dunn

7. REPORT OF THE PRESIDENT

- President Peterson announced that the first regular Commission meeting in 2007 was scheduled on January 16th, and the first Tuesday in January, the 2nd, which was the day after New Year's Day, was cancelled.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen reported that the Agency was informed the day before by the City Attorney's Office that the City had been sued with respect to the City Attorney's earlier determination on the Bayview Hunters Point Redevelopment Plan referendum, and that she did not believe the Agency was a party to the lawsuit and she did not have any further information, but would keep the Commission informed.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee congratulated President Peterson on being elected as Commission President for the coming year, and stated that Mr. Peterson had done a good job and hoped that he would continue to provide the leadership to the people that need it most.
- Commissioner Yee stated as his fellow Commissioners were aware, his reappointment to the Agency Commission was not confirmed by the Board of Supervisors and that he was sitting as an Agency Commissioner on a temporary basis, maybe for a few more sessions until the Mayor finds a replacement. Mr. Yee stated that as he leaves the Agency Commission, he had mixed feelings, but that he felt good about serving on the Redevelopment Agency Commission for the past 12 years, which had been very satisfying, especially working with fellow Commissioners as well as the various communities that the Agency served. Mr. Yee stated he wanted to share with his fellow Commissioners a telephone call he received from the City Attorney's Office who asked if he used the Agency-issued facsimile machine for Agency business as well as non-Agency business, because that was what Agency staff had reported. Mr. Yee stated he informed the City Attorney's Office that if he used the facsimile machine for non-Agency business, he was willing to pay for the costs. Mr. Yee stated that the City Attorney's Office advised him to be careful about the use of the Agency-issued facsimile machine. Mr. Yee stated he wanted to mention the matter to his fellow Commissioners to make them aware that someone from staff reported to the City Attorney's Office who subsequently called him on a very small matter, so he wanted to let his fellow Commissioners know that even on a minor thing, someone might inflict some harm to Commissioners.
- Commissioner Yee stated he also wanted to let the public and his fellow Commissioners know about a housing development project in 1999 that was purchased with Agency funds for the 34-unit Namiki Apartments at 1776 Sutter Street in the Western Addition, by the Chinatown Community Development Corporation (CCDC). Mr. Yee suggested that the Commission conduct an investigation of the purchase transaction to determine if it was legitimate, because as everyone knew, such development projects in the Western Addition should benefit the African American community, and that the allocation of Agency funds in the millions of dollars, should not have gone to the CCDC without a competitive process. Mr. Yee wished everyone a Happy Holidays.

- Commissioner Covington asked when the working group on the Shipyard environmental issues was scheduled to meet.

Executive Director Rosen stated that Agency and Department of Public Health (DPH) staff had been working with Dean Muhammad to schedule the meeting with the parents regarding the health screening and that the meeting was supposed to be scheduled on December 21st, which was the regular meeting of the Parents-Teachers meeting at the school, but that date was not working out. Ms. Amy Brownell of DPH was in contact with Dean Muhammad to select another date that would accommodate everyone's schedule during the Holiday season.

Ms. Amy Brownell of DPH, stated as Executive Director Rosen stated, she had been working diligently with the school to schedule the meeting, but that Dean Muhammad had not yet selected another meeting date.

- Commissioner Covington suggested that since Minister Muhammad and Dean Muhammad were both in attendance, to agree on a date and schedule the meeting.

Ms. Brownell stated she would be happy to do that.

Executive Director Rosen stated that shortly before the Commission meeting, she was informed of the letter that Minister Muhammad read to the Commission and that she wanted to assure the Commission that she immediately called Dr. Katz to discuss the matter, but he was at a Health Commission meeting. She assumed that was why Dr. Bhatia was in attendance at the meeting.

- Commissioner Covington requested a copy of the report submitted by Dr. Alim Muhammad as well as his curriculum vitae, including an attachment of the methodology used in the collection of samples for the screening.

Executive Director Rosen stated she would make the request to Minister Muhammad and as soon as it was provided, she would forward it to the Commission.

- Commissioner Covington stated that with all of the pressing matters before the Commission, she was concerned that too much time would elapse before the January 16th Commission meeting, and asked if the Commissioners could be canvassed on their availability for a January 2nd meeting.
- President Peterson asked each Commissioner of their availability for a January 2nd meeting.

- Commissioner Covington stated she would be available. Commissioners King, Romero, Singh and Yee stated they would not be available for a January 2nd meeting.
- President Peterson stated he would be happy to work with Commissioner Covington to facilitate a meeting regarding the Shipyard matter on the first week in January 2007.
- Commissioner Covington stated she wanted to refer to the December 5, 2006 meeting minutes on page 25, because there seemed to be some confusion about how she voted regarding Phase 2 of the Hunters Point Shipyard with Lennar/BVHP. Ms. Covington asked the Commission Secretary to read into the record the adoption of item 4 (f), Resolution No. 159-2006.

Commission Secretary Erwin R. Tanjuaquio read the adoption of item 4 (f) from the December 5, 2006 Commission meeting: "Adoption: It was moved by Mr. King, seconded by Mr. Romero, and unanimously carried (Mr. Yee absent) that item 4 (f) Resolution No. 159-2006, Authorizing a First Amendment to the Amended and Restated Exclusive Negotiations Agreement (Phase 2,-Hunters Point Shipyard) with Lennar/BVHP, LLC, a California limited liability company, as the primary developer of the remainder of Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area, be adopted."

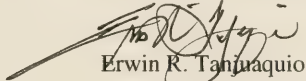
- Commissioner Covington stated she wanted to point out that she was present for that vote, which was unanimous. Ms. Covington stated there seemed to be a rumor that she left the meeting and did not vote for the item, and that was not true. Ms. Covington stated she voted in the affirmative and while she had questions of Lennar about Shipyard issues, she also asked questions of everyone and Lennar should not feel singled-out. Ms. Covington reiterated that she voted for the item and wanted that to be public and common knowledge for everyone concerned.
- Commissioner Singh stated he wanted to recognize Dr. Rajiv Bhatia for coming to the Commission meeting.
- President Peterson wished everyone a Happy Holidays.

10. **CLOSED SESSION** None.

11. ADJOURNMENT

It was moved by Ms. Covington, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:12 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

January 16, 2007

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